

# FUTURE OF PROPERTY RIGHTS IN CUBA

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

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## **FUTURE OF PROPERTY RIGHTS IN CUBA**

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**THURSDAY, JUNE 18, 2015**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10 o'clock a.m., in room 2172, Rayburn House Office Building, Hon. Jeff Duncan (chairman of the subcommittee) presiding.

Mr. DUNCAN. A quorum being present, the subcommittee will come to order, and I would now like to recognize myself for an opening statement. Before I do, I will mention that votes will be called during this hearing, and we will adjourn. We will see how far we get, and then we will adjourn and possibly come back. And if we get far enough, we may just adjourn the hearing all together. But we will just see how far we get.

Also, I want to ask unanimous consent for Tom Rooney from Florida, to sit on the dais when he gets here and offer a statement.

Without objection, so ordered.

As a businessman who is involved in the real estate industry, I have a keen level of interest in today's subcommittee hearing to examine the issues of property rights in Cuba, and U.S. and Cuban property claims against the Castro regime. I believe that in the Obama administration's zeal to engage the Castro regime at any cost, we have lost sight of a critical issue that has not received the priority that it deserves. Thousands of Americans and Cuban citizens suffered humiliation and financial distresses of having their private property stolen from them, some of them at gunpoint. Today there has been no justice for that their claims.

Lest we forget, I think it is important for the American people to remember what led in part the U.S. embargo against Cuba. In 1959, Fidel Castro brutally seized power and quickly nationalized the American-dominated sugar and mining industries. He froze bank accounts and confiscated property from thousands of both Cuban and American citizens and businesses in what the *Inter-American Law Review* called the largest uncompensated taking of American property by a foreign government in history.

This stealing of American private property in part led the U.S. severing diplomatic relations with Cuba in 1961 and enacting a trade embargo and sanctions. In 1964, President John F. Kennedy signed a bill into law authorizing the U.S. Foreign Claims Settlement Commission to begin a Cuba program to address the claims of U.S. citizens against the Castro regime. Since that time, the

Commission has adjudicated almost 8,900 U.S. claims, finding almost 6,000 of those claims to be certified. When we look at the financial value of these claims today, the total cost comes to over \$6 billion.

Now the Obama administration's reengagement with the Communist Castro regime, restoration of diplomatic ties, and pursuit of normalized relations have been performed ostensibly to empower the Cuban people. However, I have not seen any evidence of things getting better for the Cuban people. In fact, since December's announcement, we have seen almost a 120-percent increase in the number of Cubans fleeing to the United States; over 3,000 political arrests by the Castro regime; spikes in violence against democracy activists; and re-arrest of most of the 53 political prisoners who were released as part of the December agreement.

The American people who decided to travel to Cuba under the relaxed Obama administration rule should at least be aware that their decision to spend money on Cuban hotels, tourism, rum, or cigars directly props up the Communist military intelligence services and human rights abusers in the Castro regime. Americans should know that the hotel they vacation in may very well be a property that was stolen from an American citizen.

As I stated at our last subcommittee hearing on Cuba back in February, I strongly oppose the Obama administration's decision to normalize relations with the oppressive Communist Cuba Castro regime. U.S. law requires a change of the very nature of the regime through the establishment of democracy and allowance of freedom. U.S. law also requires the resolution of property claims issue.

In 1996, Congress expressed its intent in the Libertad Act stating that the satisfactory resolution of property claims by the Cuban Government recognized by the United States remains an essential condition for the full resumption of economic and diplomatic relations between the United States and Cuba. That Libertad Act is not being followed by the Obama administration.

If we are truly going to reengage with the Communist Castro regime, then I believe it is critical that we not only follow U.S. law, but for the purposes of upholding the rule of law worldwide, we negotiate only from a position of strength on the issue of property claims. Should we fail to do that, I fear that we would be setting a terrible example and signaling to other bad actors around the world that they will face no consequences for stealing American property. This would be a terribly harmful message to send.

Last year I had the privilege of traveling with the full committee Chairman Royce, Ed Royce, and Ranking Member Engel in a bipartisan delegation to South America, where we visited some of our best partners in the hemisphere, including Colombia and Peru. During our visit to Peru, I was personally delighted to sit with award-winning Peruvian economist Hernando de Soto one evening over dinner. Hernando is known best for his work on the informal economy and on the importance of business and property rights. The main message of de Soto's work and writings is that no nation can have a strong market economy without adequate participation in an information framework that records ownership of property and other formal economic activity.

It is in this spirit that I wanted to convene this hearing today because, in Cuba, most of what passes for economic activity is simply informal opportunities for the Castro brothers and the Cuban military to siphon off money to prop themselves up, spy on their people, deny basic human rights, and beat and torture people who disagree with them.

So, in conclusion, the future of property rights in Cuba and the issue of U.S. claims against the Communist Castro regime should not be forgotten in any U.S.-Cuba reengagement. These issues impact not only U.S. business claimants with the highest amounts of certified law, such as Cuba Electric Company, North American Sugar Industries or Moa Bay Mining Company; these issues also have devastated individuals and families for generations.

Today I hope that experiences that the witnesses will share will inform our actions, offer constructive ideas on what a responsible and just outcome on this issue would involve, and motivate the Obama administration to prioritize the needs of the American people above a legacy achievement with the Communist Castro regime. This hearing could not come at a more important time as recent press reports have indicated that the Obama administration has already made key concessions on limiting American diplomats' activities and a possible future Embassy in Havana, which follows its removal of Cuba from the State Sponsors of Terrorism list last month even though Cuba continues to harbor terrorists and proliferate weapons to bad actors around the world.

With that, I look forward to hearing from our two panels of witnesses today, and I will now turn to the ranking member, Mr. Albio Sires, for his opening statement.

Mr. SIRES. Thank you, Mr. Chairman, and thank you for holding this hearing. And I strongly concur with a lot of the comments that you made.

We are here to bring attention to how the Castro brothers have confiscated thousands of properties from U.S. companies and Cuban citizens in the early years of the revolution. Before the expropriation began, over two-thirds of the Cuban economy was owned by private entities, many of whom were Americans. The Castro brothers started taking ranches and farms just months after Castro came into power and quickly moved to U.S.-owned oil refineries and other properties.

Castro seized everything in sight, including 2 million acres of land, electric companies, the mining industry, warehouses, hotels, private properties, and bank accounts. Additionally, they seized almost all assets of Cuban nationals between 1959 and 1968.

The Foreign Claims Settlement Commission has certified over 5,000 claims and, when combined with interest, total almost \$8 billion. As the administration continues to normalize relationships with Cuba, we must take time to reexamine these claims and see how we can get justice for these claimants before further inroads are made between Cuba and the U.S.

Many of the confiscated properties have been sold and resold, their owners deceased, and now their families are left fighting on their behalf. Most families were never able to recover either financially or mentally. Being forced to give up their homes, essential

belongings, and millions of dollars worth of investments cannot go unanswered.

How can U.S. businesses open up economic cooperation with a government who profited on the back of other people's hard work? Not only is it immoral to profit off of these stolen properties, but Cuba's past disregard for property rights creates an unstable investment climate for private businesses. There is no way to ensure that the Cuban regime won't swoop in and confiscate more properties or renege—or renege on its so-called contracts. We must examine how a shift in relationship with Cuba will impact these long outstanding claims.

The issue of confiscated properties by the Cuban regime has always been a major hurdle in normalizing the relationships with Cuba. Just because the administration has shifted the strategy doesn't mean we should detract from our effort to find an equitable and long overdue solution for the victims. Today we will be able to hear from experts from the Foreign Settlements Commission that have gone through the efforts of certifying these claims as well as victims whose families have lost their homes and businesses to the Castro regime's greed. I look forward to hearing from our panelists on how we can address these critical issues.

Thank you.

Mr. DUNCAN. Thank you, Ranking Member.

By unanimous consent, we allowed Representative Rooney from Florida to sit on the dais. I now recognize Mr. Rooney for an opening statement.

Mr. ROONEY. Thank you, Mr. Chairman, and I will be brief. I will just say that I appreciate you having this hearing to the panel members that are here. You know, what brought this about for me was, as a Member of the Florida delegation, going to law school at the University of Miami and getting to meet some of the constituents or some of the citizens that lived down there and coming to recognize that as naive as I was at that point, that a lot of the people that I met were actually people that lived in Cuba, that left—that the ranking member was speaking of—thinking that some day, some day soon after they left Cuba, that they would lock their doors and that they would be back relatively in short order.

And it just dawned on me talking to these people, who are a little bit older now, that they really believe something that if that would happen to American citizens, something so fundamental that you owned this property or you owned this business, and for whatever reason, you had to leave, and you turned around and locked the door behind you thinking that I will be back in a couple of days or a week or at the most, you know, a month, but that that which I built, that which I owned, something so dear to us as Americans as our property rights, would be mine again. And to have that decades go by, and to not be able to return to that which is rightfully yours, for us to say that we are going to ease restrictions in Cuba and not follow the law, as Mr. Duncan referred to the 1996 Libertad law, I think would be unconscionable and something so unfair as we know it as Americans is to deprive people of their rightful property.

And a lot of people, even people on my side of the aisle, sometimes say: What is the difference between Cuba and China and

other Communist countries that we do business with? I mean, after all, it has been a long time. Let's just forget about it and move on.

The difference is that I have constituents, people that are alive and well, that owned property in Cuba, that left, that live in the State of Florida, that belief that our Government will take care of them, that are citizens now, but when they ease restrictions with Cuba, that when we do that as a government, we are going to follow U.S. law, and we are going to demand that this President first recognize by forcing the Castro regime to recognize the property rights of those people that are still alive today, living in Florida, that are constituents, and that it is our responsibility as their elected officials to make sure we follow the law.

So when people ask you, "What is the difference between China and other Communist countries that we do business with and Cuba?" the difference is, is that they are our constituents, and we owe it to them to enforce the law, to follow the law, and to live the American spirit, which is property rights. That goes back to our very founding. And if we don't do that, then we are, I think, neglecting the very fabric of what this country is.

So I really appreciate as we—as this administration decides to move forward in easing restrictions, if they are going to do that, the very first step in making what past wrongs there were right would be to make sure that our constituents in the State of Florida and across this country are made whole again by that which was taken from them, their property in Cuba.

So, Mr. Chairman, Mr. Ranking Member, thank you for letting me sit in today. I appreciate you hearing this bill.

Mr. DUNCAN. I want to thank the gentleman from Florida for his comments and remind other members that opening statements may be submitted for the record.

Before I recognize the panel, let me just explain the lighting system. You have got 5 minutes. The light will be green until it gets to 1 minute. It will turn yellow, and then when you are out of time, it will be red. At that point in time, if you could just wrap up your final statement. And you have submitted your testimony for us beforehand, which we have had the opportunity to read, and so if you don't get through the complete statement, we have it. We have read it. We are understanding.

But we want to get you on the record verbally, so I will now recognize our panelists, and our first panelist is Mr.—if I pronounce this wrong—Tamargo.

Mr. TAMARGO. Tamargo.

Mr. DUNCAN. Mr. Tamargo, you are recognized for 5 minutes.

**STATEMENT OF MR. MAURICIO TAMARGO (FORMER CHAIRMAN OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION)**

Mr. TAMARGO. Thank you, Chairman Duncan, Ranking Member Sires, and members of the subcommittee. It is an honor to appear before this great committee where I used to work. I have been a long time—it has been a long time since certified claims have been given then much public attention. I commend the subcommittee for convening this hearing, and I hope the subcommittee continues to play an active role in the long, overdue settlement of these claims.

I will summarize my remarks and ask that the full text of my testimony be placed in the record.

I also request, if possible, that the record be held open for those certified claimants who were not able to testify so they can submit a statement for the record.

Over 55 years ago, the revolutionary Government of Cuba confiscated the real and personal property of thousands of Americans and others who were living and doing business in Cuba. To this day, that chapter in U.S. history represents the largest confiscation of American property and there has been no progress in settling these certified claims. I am encouraged but guarded by the possibility of serious negotiations between the United States and Cuba regarding the certified American claims.

We have heard different numbers as to how many certified claims there are. There are, in fact, 5,913 certified claims. When certified, they were valued at \$1.8 billion. Today they are valued at around \$7 billion to \$8 billion, due to the 6-percent simple interest called for under international law and certified by the commission.

No American claims program has been left pending and unpaid for this long. I do not count the Soviet program because although it is still pending and unsettled, it was partially settled.

Many ideas and proposals are floating around as to how to settle these claims. Some have asked me about the property problem between the U.S. and Cuba. My answer to that is that there is no property problem because, unfortunately, there is no property. Under international law, the American property is gone. The Cuban Government confiscated it, but the U.S. has a right to fair compensation for its citizens.

Not only do I believe the U.S. should settle for nothing less than the full price of the claims, plus 100 percent of the interest, but I call on the administration and the Congress to hold fast and not remove any key element further from the embargo that remains unless the claimants receive full and fair payment for their certified claims.

As requested, I have a few legislative recommendations. First and foremost, these claims are the reason the embargo was created. Congress must not pass any legislation further easing the embargo unless these certified claims are paid and settled. We only get one shot at this. We have only one thing Cuba wants: It is access to the U.S. market through lifting the embargo. If the Congress gives that away without getting these claims paid, then the Congress will have failed to stand up for these American families and companies.

Second, I urge the Congress to enact legislation to grant limited authority to the Foreign Claims Settlement Commission to update the certified claims as to who is the current certified claimant. As I have already explained, claims programs are not designed to go unpaid for 55 years. Multiple generations of claimants have come and gone, and it will take years to ascertain who are the certified claimants right now. Also, do the same for the Soviet certified claims. Not only is this good governmental housekeeping, but it costs us nothing, and it sends a strong message to Cuba.

Thirdly, I am hopeful that the certified claims will be paid in these negotiations, but you never know. We have been waiting 55 years, and we may get the same status quo. We know the current American trade and travel business with Cuba is trespassing on stolen American property. We know this because a runway expansion at Jose Marti Airport is on land which is the subject of a certified claim and also probably true of other Cuban airports and the Port of Mariel and other Cuban ports and probably most of the infrastructure. Also, they all use land which is the subject of American certified claims.

Congress needs to enact a trespass penalty of 10 percent on all trade, travel, commerce, remittances, toll calls, gifts, flyover fees, port duty, everything. The proceeds collected by the trespass penalty would go to a fund which would pay all of the certified claimants for their full amount, including interest. The trespass penalty would not release Cuba of its debt, but now the debt will be owed to the U.S. Government.

Those doing travel and trade with Cuba should just consider the trespass penalty as the cost of using someone's property. The current ongoing, never-ending waiting is ridiculous and intolerable to the certified claimants. It is the U.S. Congress' responsibility to end this embarrassing 55-year wait by our fellow Americans.

Fourth, the final recommendation is not to Congress. It is to all of those American families and companies who are holding certified claims against Cuba. I urge you to get engaged in this discussion and to write your Congressman, your Senators, the President, the State Department, and keep writing and calling them. American certified claimants need to demand that their claims be settled, and if they are not going to be settled, then they should be paid this trespass penalty. It is wrong to continue to hold these certified claimants hostage to this never-ending battle over Cuba policy. It is not fair to these American families and companies who did nothing wrong except have the courage to invest in Cuba.

Thank you.

[The prepared statement of Mr. Tamargo follows:]



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Before the Subcommittee Western Hemisphere, of the House of Representatives  
Committee on Foreign Affairs.

June 18, 2015

Subcommittee Hearing: The Future of Property Rights in Cuba

Thank you Mr. Chairman, Ranking Member, and members of the Subcommittee.

It is an honor to be before this great Committee, where I used to work. I have worked to help victims of confiscations from different countries for over 26 years, including eight years as chairman of the Foreign Claims Settlement Commission at the Department of Justice.

It has been decades since these claims against Cuba have been given this much public attention. The House Committee on Foreign Affairs is the committee of jurisdiction and oversight over these certified claims of our fellow Americans against the government of Cuba. I commend this Subcommittee for convening this hearing and hope it continues to play an active role in the long overdue resolution and full settlement of these certified claims.

It is my hope that the testimony provided by all the witnesses appearing before you today will help the Committee, the Congress, and the Administration resolve and settle the certified claims before any further concessions are offered to the government of Cuba.

I will summarize my remarks and ask that the full text of my testimony be placed in the record.

**Background on Confiscations by Cuba.**

Over fifty-five years ago, the revolutionary communist government of Cuba confiscated the real and personal property of thousands of Americans, and others, who were living and doing business in Cuba. To this day, that chapter in U.S. history represents the largest confiscation ever of American property, and there has been no progress in settling these certified claims.

These confiscations by the Cuban government had a profound impact on thousands of American families. You can hear the pain in the claimants voices as they tell others about how their families were forcibly removed from their homes and businesses. Their lives were shattered; destroyed. Their grandparents and parents struggling to hold their families together and rebuild what took them a lifetime to create. Many never recovered economically and emotionally.

Confiscations like these, where one's entire life is uprooted, without warning; without compensation, scar the victims for life. I believe, they affect families the same way that the loss of a child would. Many don't fully understand this, because they think it was just property, but they would be wrong. It was not just property, it was their lives. They poured everything into that business and life they knew; then everything they owned was taken from them.

They can never forget it and they seek understanding and closure from the U.S. government who promised them justice. Justice they have yet to receive.

**New Negotiating Opportunity Over Certified Claims**

There are reports about serious talks in the making between the United States and Cuba regarding the certified American claims. But we should remain guarded and concerned that this will not materialize or that negotiations will not reach a settlement of these claims. The Administration is priming the pump with a number of goodwill gestures and gifts to Cuba in order to get the conversation started, but historically, before these sort of favorable US actions are taken, there is, at least, an outline of an agreement for settling certified claims.

Some will often refer to Libya as an example for the Administration's actions on Cuba. It is true that the US removed Libya from the State Sponsors of Terrorism list before the U.S. - Libya claims settlement agreement was signed and paid by Libya. However, there was at least a basic outline of an agreement before Libya came off the terrorism list—not to mention that the Qaddafi government had already dismantled its weapons of mass destruction programs and had met other requirements laid out in US law and UN resolutions.

Even so, I am cautiously hopeful that these current talks will bear the long awaited fruit of a fair and just claims settlement agreement. But no one should be under any delusions. Just as in the case of Libya, these talks will be very difficult and could still take a long time.

It is important to American victims that our negotiating team be well prepared for the talks, that they make this matter a top priority, and that they are firmly committed to making these certified claimants whole. Settlement of these claims is not only important to the individual American claimants. There are economic and strategic reasons why Cuba must pay these certified claims. If the world, and especially Latin America, observes that the United States has allowed Cuba access to the US market and to conduct normal trading relations with Americans, regardless of the \$7 billion of stolen property owned by US citizens, then Americans elsewhere around the world may suffer even larger confiscations in the future which could dwarf the Cuba certified claims.

I think we are already seeing this happen as certain Latin American countries are seizing the property of American corporations with impunity. It can spread further and hurt US competitiveness. When American families and corporations who go overseas have their property taken, or have their contracts interfered with by a foreign government, that results in the loss of jobs and capital here in the states. Other countries look out for their citizens and companies overseas, and the US must do the same.

#### **Background on Certified Claims Process**

The Foreign Claims Settlement Commission of the United States at the Department of Justice has been adjudicating American claims for over sixty years. The Commission has adjudicated over 48 different claims programs against 22 different countries.

Once the Commission has completed its work on a claims program, the Commission certifies the claimants and the values of their claims to the State Department whose responsibility it is to negotiate a settlement agreement with the other country. These negotiations usually are very difficult and take a long time. The other country may seek to challenge some aspect of the certified claims such as the valuation, or the nationality. The other country may also have counter claims against the United States. Typically the U.S. has something the other country wants and tradeoffs occur. That is why the Commission is an independent agency and not under the control of any Department or outside government official and why the Commission's decisions are not subject to review or appeal by any agency or to any court. Additionally there is no cost to the American taxpayer for administering the claims process because a portion of each settlement agreement pays such costs of the Commission.

The claims process is conducted with complete transparency, in a non-adversarial proceeding, in which the claimant must show support for his claim. He must prove he or she owned the property when it was seized, and prove what the value of the property was at the time it was taken. He or she must also show proof of American citizenship at the time the property was taken, and prove that it was taken, or interfered with, by the Cuban government.

The transparency aspect of the Commission's claims process is very important and I believe the main reason this process works so well. The Commission's Decisions states clearly how the value of each certified claim was calculated. The Commission's Decisions also state clearly how it uses accepted accounting practices to determine the true value of the certified claim amounts.

Other countries have their own commissions, which evaluate the claims of their own citizens. Under international law, each country advocates and espouses the claims of its own citizens against the wrongful injury, interference or takings by another country. A claims process is used when there is no independent or reliable judiciary in the other country for Americans to find justice or a fair hearing.

The Foreign Claims Settlement Commission has a three-member tribunal, composed of one full time chairman (currently vacant) who also serves as the administrator of the Commission, and two part-time commissioners. They are each appointed by the President for three year terms and are confirmed by the Senate. The Commission can only adjudicate and certify American claims when it is authorized to do so. That authorization can come from the Congress through legislation, by a treaty, or by referral of a category of claims by the Secretary of State.

#### **Certified American Claims Against Cuba**

We have heard different numbers as to how many certified claims there are. There are in fact 5,913 certified claims against the government of Cuba. Of those, 5,911 were adjudicated by the Commission in the first Cuba Claims Program during the 1960s and the 1970s and two more were added in the Second Cuba Claims Program in 2006.

There are several types of certified claims against Cuba. Most are for confiscation of personal property, such as bank accounts, stock shares, bonds and debts. Some claims are for the confiscation of real property or land, some are personal injuries, and a number of them are for wrongful death claims.

When the claims were originally certified by the Commission they were valued at \$1.8 billion dollars. Today, they are valued at around \$7 to \$8 billion due to the 6% simple interest called for under international law and certified by the Commission. Only around 300 claims are corporate but they represent roughly 80% of the total value, and the rest are individuals or families representing roughly 20% of the total value. Another interesting statistic is that the top 124 claims represent 90% of the total value, or \$1.6 out of the total \$1.8 billion.

No other American claims program has been left pending and unpaid for this long, 55 years. I don't count the Soviet / Russian claims program because it was partially settled. As an aside, I urge the Committee take action on those Soviet, (now Russia), certified claims as well.

### Settlement Proposals and Discussion

There have been suggestions of a settlement agreement with Cuba that would use restitution of the old confiscated property or substitution of comparable property to settle the certified claims. We have also heard over the years certain Cuban government officials warn the Cuban people that the Americans are coming for your houses.

The media also seem to like the optics of this and keeps asking the same type of questions about restoring the land to old owners and have asked my opinions on the "property problem between the US and Cuba". My answer to all these comments and arguments is that there is no property problem, because there is no property. Under international law the American property is gone. The Cuban government confiscated it. But the same international law section states that, what remains is the debt that Cuba must pay. The U.S. has a right, under international law, to fair compensation for its citizens.

Cuba is a sovereign nation and as such it controls its own land and who owns it. As to the possibility of a settlement agreement, which may include some land as repayment or restitution, that really is up to Cuba, not the United States. But I would caution that any such settlement, if offered by Cuba, is very difficult to pull off and would require a high degree of confidence between both countries.

Settlement agreements that involve a property restitution option have been successful in the past, but in special circumstances. In a few settlement agreements to which the U.S. was a party, such as the agreement with the German Democratic Republic and the current Albania Program, an opt-out provision allowed claimants to go into the foreign country's court process for restitution of their land.

But one key element, which would be needed, is a property court or property commission in the foreign country with a reasonable guarantee of due process protection and an independent judiciary, something that does not remotely exist in Cuba today.

Other suggested settlement approaches would break up the certified claims into separate categories, to be handled differently in the settlement negotiations process, such as by big value versus smaller value claims, or commercial land claims versus residential land claims, or land claims versus personal property claims, thinking these may speed up the negotiations or make it easier to reach a settlement.

Equal treatment of all the certified claims is the simplest, less complicated, approach and is the quickest and most likely way to succeed

Any effort along the lines of creating different categories of claims are much more likely to result in divisions amongst the claimants, pulling in different directions and significantly reducing the likelihood of a settlement of these certified claims. It is also

completely unnecessary as the government of Cuba is capable, if it wants to, come up with the \$7 to \$8 billion it needs to pay all the certified claims.

I have over the years heard a number of investment speculators in these claims and some financial experts opine that the US and the certified claimants must be prepared to receive pennies on the dollar for their claims. They are plain wrong.

Sometimes these same experts have tried to illegally purchase or transfer the certified claims from the claimants, without the proper license from the Office of Foreign Assets Control at the Treasury Department. That sort of behavior is not helpful to this claims settlement process. In fact, I recall from my years at the Commission that we always had to be very careful never to say anything publicly that could put the State Department negotiating team at a disadvantage when the day should come to negotiate the settlement agreement.

Not only do I believe that the US should settle for nothing less than the full price with 100% of the interest but I call on the Administration and the Congress to hold fast and not remove key elements of the embargo or the sanctions that remain unless the claimants receive full and fair payment for the settlement of their certified claims.

I also hear that Cuba is poor and cannot afford to pay these claims amounts. Cuba keeps crying poverty, saying it has no money. That is just not true. Cuba has ample funds. It is not for lack of money that Cuba has been a high risk for investors and creditors for so many years. It is just that Cuba's leadership have other plans for their revenue. Fidel Castro is rumored to have a net worth of over \$900 million, probably the same amount for Raul Castro, and the rest of Cuba's generals and leadership class also are all rumored to be quite rich.

Accurate or reliable information as to the Cuban economy and their budget revenues is hard to come by but there is enough empirical data available that leads me to conclude that Cuba has the financial resources to pay the full price of these claims or it could easily finance the settlement. According to the World Bank, Cuba's GDP is more than \$69 billion. We also know that Cuba receives over \$2 billion annually from the US alone, in the form of remittances and commodities and gifts and trade. Plus maybe the same from amount Venezuela. We hope shortly to have access to the recently announced Paris Club - Cuba agreement in principle, which would likely shed more light on Cuba's assets and revenues in much more detail.

The present value of the certified claims, \$7, to \$8, billion, in today's global economy, is really not that hard to finance. Private investment and financial sectors could, and probably would, extend Cuba those funds if they saw that Cuba's economy would be free of the U.S. embargo. I agree with those finance experts in that Cuba's economy would expand dramatically if it were able to restore a normal trading relationship with the United States, and Cuba's government allowed it. So realistically financing the settling of certified claim would not be a problem for Cuba.

### **Recommendations To The Congress, The Administration, & Certified Claimants.**

**First**, and foremost, of these is to urge the Congress not to lift the credit, finance and banking restrictions and sanctions (still in effect) on trade with Cuba. Congress must not pass any legislation further easing the embargo unless these certified claims are paid and settled. We should remember our American certified claimants. I repeat, Congress must not lift the current embargo on Cuba unless these certified claims are paid in full.

I have zero confidence in any promise made by the government of Cuba to pay these claims at some future time after the embargo is lifted. That's not the way settlement agreements are made. That is not the way the Vietnam Settlement Agreement was made. And please keep in mind that comparing past claims programs to the Cuba program is just not a reasonable or fair comparison. The world has changed quite a bit since some of the Cold War-era programs were concluded.

We only get one shot at this. We only have one thing Cuba wants. It is access to the US market and the lifting of the embargo. If the Congress gives that away without getting these claims paid, then Congress will have failed to protect and defend these American families and companies.

Such a failure by the U.S. government will also condemn other American companies and families around the world to suffer the same fate because the same thing will happen to them. Solving the Cuba program correctly will send a message to the world that the United States stands by property rights, no matter how long it takes. This is more than just a Cuba problem.

**Second** I urge the Congress to enact legislation to grant limited authority to the Foreign Claims Settlement Commission to update the certified claims as to who is the current holder in interest of each certified claim. As I have already explained, claims programs are not designed to go unpaid for 55 years. Multiple generations of individual and corporate claimants have come and gone and the information needs to be updated to expedite the resolution of the certified claims. Not only is it good governmental housekeeping but it sends a message to Cuba. This legislation should also do the same for the Soviet claims program.

During my tenure as Chairman, the Commission took it upon itself to research and update, as best we could, the claimant contact information the Commission has on record for each claimant. Technically, the Commission's authority over the claims ended by statute in 1972, when it certified the claims to the State Department. Lacking authority to demand proof, the Commission really does not know if it has the correct person listed as the claimant.

When the Treasury Department tries to distribute the settlement funds paid by Cuba, it will have a very difficult time documenting and ascertaining the true owner of each

claim. The U.S. can put this time, during the negotiations, to good use by updating our government records so we will be better prepared for the day of settlement and distribution of payments.

Reauthorizing a Cuba program for this necessary purpose would also send a signal and message to the Cuban government that the US is seriously standing behind its certified claimants and insist that the Cuban government pay its bills.

The Commission is perfectly suited to administer this review and revision of all the certified Cuba claimants. It has the claim files and the staff and expertise to conduct such a program, and I believe it could do so with its current staff, thereby it would not add any cost to the U.S budget.

**Thirdly**, this recommendation is to Congress but first I need to provide some background of the problem.

As I have already stated, I believe these talks are extremely difficult. I am not only concerned that the Cuban government will continue with its intransigence, but also that with the US government's level of commitment in forcing the Cuban government to pay the certified claims. I am hopeful that the debts will be settled, but you never know, we have been waiting 55 years we may get more of the same status quo.

Lets face it, the embargo, such as it is, is full of holes. Even with the current credit and banking restrictions, there is a great deal of trade and commerce going on between Cuba and the United States. The current Cuban embargo is the only hope of forcing Cuba to pay the certified claims. What about the promise made to the certified claimants? The travel and commerce of the U.S. with Cuba is using stolen American property. That has been taking place for many years under Republican and Democratic administrations.

We know that stolen American property is trespassed upon because at least one runway expansion at Jose Marti Airport is on land which is the subject of a certified claim. It is most likely true of other Cuban airports as well, and every major port in Cuba, including the Port of Mariel is subject of a certified claim. All make use of land which is the subject of multiple American certified claims, and the list is much longer than this.

How can the US government license or allow travel and trade which trespasses on the property stolen from American citizens? Certain large special interests in the US show no hesitation on doing business with Cuba, even if it means using the property stolen from their fellow American citizens.

I urge the Congress to seriously consider enacting a trespass penalty of 10% on all trade, commerce, remittances, toll calls, gifts, fly over fees, port duty, - everything. This trespass penalty would be paid by all those conducting business, buying or selling goods, or giving anything, which pays any revenue or fee to the Cuban government or agents of the Cuban government. The proceeds collected from the trespass penalty

would go into a fund which would pay all certified claimants equally their full amount including interest.

This trespass penalty would not release Cuba of its debt to the US, but now the debt would be owed to the U.S. government and not the certified claimants. The U.S. government should also consider adding additional penalties on the government of Cuba for every month or year that it fails to make, as required by current U.S. law, progress on the claims issue.

If the settlement negotiations are successful and these claims are paid by Cuba, then there will be no need for this unilateral action by Congress. But if the settlement negotiations fail in paying the certified claims, then it is time to end the suffering of the certified claimants. Justice demands that a trespass penalty be paid by all Americans doing any business with Cuba.

Those traveling and trading should consider this trespass penalty as the cost of trafficking in someone else's stolen property. I suggest this trespass penalty be enacted into law should we fail to achieve a settlement agreement, by a certain date, which would pay the American certified claims and while continuing the current embargo. The present ongoing and never-ending waiting by the certified claimants is unacceptable and intolerable. It is the responsibility of the US Congress to bring an end to this embarrassing 55 year wait by our fellow Americans. We would be happy to assist the Congress in drafting the trespass penalty legislation.

**The Fourth** and final recommendation is more of a call to action to all those American families and companies who are holding certified claims against Cuba. I urge you to get engaged in this discussion and write to your congressman, your senators, the President, and the State Department, and keep writing and calling them.

American certified claimants need to demand that their claims be settled and if they are not going to be settled then they should be paid by the trespass penalty. This is no longer the time to sit on the sidelines. Let your voices be heard.

I urge the Congress and the Administration to forcefully advocate for Americans, defend their rights, and finally settle these certified claims.

Thank you.

Mr. DUNCAN. I thank the gentleman.

In my haste, I failed to mention the biographies of the witnesses and panelists are in our binders, and we have had the opportunity to read through those.

Mr. Bradley, you are recognized for 5 minutes.

**STATEMENT OF MR. DAVID BRADLEY (FORMER CHIEF COUNSEL OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION)**

Mr. BRADLEY. Yes, sir. Thank you. Good morning, Mr. Chairman, members of the subcommittee, thank you for inviting me. You have my bio, so you know I retired from Federal service in 2008 after 20 years as chief counsel with the Foreign Claims Settlement Commission. I am pleased to be invited here today to say some words about the Commission's Cuba claims adjudication program.

As we know, following the overthrow of the Batista regime in Cuba and Fidel Castro's takeover on January 1, 1959, the Castro regime began a comprehensive drive to seize business enterprises, assets, and other private property on the island. Given the extensive American involvement in Cuba's economy at the time, American companies and individuals were particularly affected by these actions. Some of the takings were overt, such as the outright nationalization of certain industries under law 1076 of December 5, 1962, and the expropriations under law 851 of July 6, 1960, which were directed toward Cuban concerns in which Americans held majority interest. In addition, all properties of persons who had left Cuba were confiscated under law 989 of December 6, 1961.

Other takings were more subtle such as administrative requirements placed on mining and oil concession holders to reregister their concessions under circumstances that made compliance impossible.

One of the first U.S. responses to these actions was an effort by Senator Bourke Hickenlooper to amend the Foreign Assistance Act of 1961 to impose a trade embargo on Cuba and prohibit the furnishing of foreign assistance to the "present Government of Cuba." However, the amendment was not enacted, and the Department of Treasury did not move to freeze Cuban assets in the United States until July 1963. Consequently, most of those assets, possibly as much as \$500 million had already been transferred out of the country, primarily to Canada, by the time the blocking took place.

In October 1964, Congress passed, as you mentioned, House of Representatives bill H.R. 12259, which became Public Law 88666 and is codified as title V of the International Claims Settlement Act of 1949, as amended. The statute authorized and directed the Foreign Claims Settlement Commission to determine the validity and amount of U.S. nationals' claims against Cuba for expropriation and other taking of property and other assets affected on or after January 1, 1959, and certify its findings of the amounts of the losses sustained to the Secretary of State. In addition, the Commission was authorized and directed to determine the validity and amount of claims against Cuba for disability or death of U.S. Citizens resulting from actions taken by or under the authority of the Cuban Government.

The purpose of the adjudication process was to compile a record of the claims which could eventually serve as the basis for a lump-

sum settlement agreement with a future Cuban Government. The period for filing claims officially commenced November 1, 1965, and was to end on May 1, 1967. By law, the program was to be completed as of May 1, 1970. However, due to budget cuts from Fiscal Year 1969, the program could not be completed by the statutory time, and further legislation was finally obtained which extended it to July 6, 1972.

As has been mentioned, a total of 8,816 claims were evaluated in the course of the program. Of these, 5,911 were certified as valid with a total value of over \$1.8 billion, not including interest. Adding the interest component, the claims come to over \$7.6 billion in worth.

I should also mention that two small—two additional claims were certified by the Commission in 2006 in a small second program we conducted at the request of the Secretary of State. Of the claims, over \$1.6 billion was certified in the names of 898 American corporations, with 5,913 totaling \$221 million certified in the names of individuals.

We had 131 certifications in excess of \$1 million, and the largest certification, in favor of the Cuban Electric Company, amounted to over \$267.5 million in principal amount.

This concludes my statement, and I will be happy to try to answer any questions you may have.

[The prepared statement of Mr. Bradley follows:]

U.S. PROPERTY CLAIMS AGAINST CUBA

Statement by David Bradley

Before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere

“The Future of Property Rights in Cuba,” Thursday, June 18, 2015

I am David Bradley. I retired from Federal service in 2008 after twenty years as Chief Counsel of the Foreign Claims Settlement Commission, a small independent component of the Department of Justice. I am pleased to have been invited here today to say some words about the Commission’s evaluation and certification of U.S. citizens’ claims for expropriation and other taking of property by the Castro regime in Cuba.

Following the overthrow of the Batista regime in Cuba and Fidel Castro's takeover on January 1, 1959, the Castro regime began a comprehensive drive to seize business enterprises, assets and other private property on the island. Given the extensive American involvement in Cuba's economy at the time, American companies and individuals were particularly affected by these actions.

Some of these takings were overt, such as the outright nationalization of certain industries under Law 1076 of December 5, 1962, and the expropriations under Law 851 of July, 6, 1960, which were directed toward Cuban concerns in which Americans held majority interests. In addition, all properties of persons who had left Cuba were confiscated under Law 989 of December 6, 1961. Other takings were more subtle, such as the administrative requirements placed upon mining and oil concession holders to reregister their concessions under circumstances that made

compliance impossible. Pending applications for further exploration were cancelled arbitrarily and new applications were ignored or refused under Law No. 635 of November 23, 1959.

Another method of effecting takings was through Cuba's foreign exchange laws. While foreign exchange regulations are recognized as being within a state's sovereign power to impose, Cuba's requirements for the export of currency were so restrictive that they effectively prevented any payments from being made to creditors outside Cuba.

One of the first U.S. responses to these actions was an effort by Senator Bourke Hickenlooper to amend the Foreign Assistance Act of 1961 to impose a trade embargo on Cuba and to prohibit the furnishing of foreign assistance to the "present government of Cuba." However, the amendment was not enacted, and the Department of the Treasury did not move to block, or freeze, Cuban assets in the United States until July 1963. Consequently, most of those assets--possibly as much as \$500 million--had already been transferred out of the country, primarily to Canada, by the time the blocking took place.

In October 1964, Congress passed House of Representatives bill H.R. 12259, which became Public Law 88-666 and is codified as Title V of the International Claims Settlement Act of 1949, as amended (22 U.S.C. 1643). The statute authorized and directed the Foreign Claims Settlement Commission to determine the validity and amount of U.S. nationals' claims against Cuba for expropriation and other taking of American property and other assets effected on or after January 1, 1959,

and to certify its findings of the amounts of the losses sustained by claimants to the Secretary of State. In addition, the Commission was authorized and directed to determine the validity and amounts of claims against Cuba for disability or death of U.S. citizens resulting from actions taken by or under the authority of the Cuban government. The purpose of the adjudication process was to compile a record of the claims which could eventually serve as the basis for a lump-sum settlement agreement with a future Cuban government.

As I mentioned earlier, the Foreign Claims Settlement Commission is a small, independent agency within the U.S. Department of Justice. The Commission consists of its Chairman and two Commissioners, who are appointed by the President and confirmed by the Senate, and it also has a legal staff who advise and make recommendations to the Chairman and Commissioners on how the claims should be evaluated and determined.

The Commission has been in existence since 1954, when it took over the functions of two predecessor agencies, the War Claims Commission and the International Claims Commission. In the years since then the Foreign Claims Settlement Commission has conducted claims adjudication programs involving Bulgaria, Rumania, Hungary, Yugoslavia, the Soviet Union, Czechoslovakia, Poland, China, the German Democratic Republic (East Germany), Vietnam, Ethiopia, Iran, the Federal Republic of Germany, Albania, Libya, and Iraq.

Returning to the subject of claims against Cuba, the period for filing claims with the Commission officially commenced on November 1, 1965, and was to end

on May 1, 1967. By law the program was to be completed as of May 1, 1970.

However, due to budget cuts for fiscal year 1969, the program could not be completed by the statutory time, and further legislation was finally obtained which extended it to July 6, 1972.

A total of 8,816 claims were evaluated in the course of the program. Of those, 5,911 were certified as valid, with a total value of over \$1.8 billion, not including interest. If one adds the interest component, which the Commission fixed at six percent per annum, the total comes to over \$7.6 billion.

The claims cover a wide spectrum of losses, ranging from small bank accounts, household personal property, and disability or death of individuals, to Cuban branches of U.S. banks, mining and oil concessions, and other corporate assets with values in the millions of dollars. Of the \$1.8 billion certified amount, over \$1.6 billion was certified in the names of 898 American corporations, and 5,013 claims totaling over \$221 million were certified in the names of individuals. There were 131 certifications in excess of \$1 million, with the largest single certification in favor of the Cuban Electric Company in the amount of over \$267.5 million. Other large certifications were in the names of companies including International, Telephone & Telegraph, North American Sugar, Standard Oil, and Texaco.

This concludes my statement. I will do my best to answer any questions you may have.

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Mr. DUNCAN. Well, I want to thank the panelists for excellent opening statements.

I want to align myself with the comments by Representative Rooney. One of the fundamental principles of a free society and free economy is private property ownership. And the understanding that if you invest money in real estate, develop a home or a business, or business property, or even develop a business in general, that you own that property, and you have some sort of free assurances that it won't be confiscated by a government, whether it is this government or a government abroad if you are an American investor.

And so the claims are clear that Americans and Cuban Americans—the Foreign Claims Settlement Commission has adjudicated a lot of these, as we have heard. So now we see the Obama administration acting in defiance of the 1996 Libertad Act and really in defiance, I think, of what the Foreign Claims Settlement Commission has proven through its adjudication. And so what is the role of the Foreign Claims Settlement Commission if we are just going to ignore its findings, if we are not going to apply those findings to future negotiations and normalization of trade?

So the question I have to you is what role do you expect the FCSC to play in relation to the State Department's prioritization of the resolution of almost 6,000 certified claims? What role is the FCSC playing now with the administration?

Mr. Tamargo?

Mr. TAMARGO. Traditionally, when those negotiations begin in other situations in previous settlement discussions, the Commission plays a technical supporting role. The lead negotiating—all of the negotiating is done by the State Department, and—

Mr. DUNCAN. But it sounds to me like the State Department is ignoring.

Mr. TAMARGO. Well, they have put out some public statements to the effect of that. This is on their list of things to discuss with the Cuban Government, and but they have not as of yet to our—well, as far as the public is aware, the public record is aware, began those discussions yet.

Mr. DUNCAN. Right. So there have been two Cuba programs with FCSC?

Mr. TAMARGO. Correct.

Mr. DUNCAN. Almost 9,000 claims have been brought before those two programs. Should there be a third?

Mr. TAMARGO. It would depend on, traditionally, under international law, each country adjudicates the claims of its own citizens. And under international law, it was citizenship at the time of the taking. That is under international law. The U.S. Congress is not bound by it. And, you know, they could choose to interpret or create a program that would go beyond international law and adjudicate claims for claims of individuals that were not American citizens at the time. But one must be aware that there are millions of those.

Mr. DUNCAN. Right.

Mr. TAMARGO. I would imagine that would encompass—

Mr. DUNCAN. Millions of those that were Cubans at the time the property was seized that are now Cuban Americans because they have immigrated here.

Mr. TAMARGO. Yes, yes.

Mr. DUNCAN. But the way I see it, they still have claims on property back in Cuba that was seized by the government when businesses were nationalized.

Go ahead, sir.

Mr. TAMARGO. Traditionally, this issue of property ownership interruption by Communist governments have happened throughout history. And every country has had to create some sort of reconciliation commission. This problem ultimately will have to be dealt with by the Cuban Government.

Mr. DUNCAN. Which doesn't seem willing at this point in time to make any concessions. They are just saying: Okay, we will open up our relations. We are not going to change our principles of economic freedom or the lack thereof. We are not going to give the Cuban people more freedom of speech, more freedom to peacefully assemble, more freedom to worship, more freedom to the Internet and access to free press, no information sharing.

They are being kept in the dark. They had their property seized, and yet the Castro brothers are sitting there making demands on the United States Government if we want to go back in there and normalize relations. The Cubans aren't doing anything.

And so just a followup question, do you think the Obama administration's policy changes on Cuba will have any effect on the status of these 6,000 claims?

Mr. TAMARGO. I am hopeful but guarded that they will be taken up between the two countries.

Mr. DUNCAN. Oh, we are all hopeful.

Mr. TAMARGO. It is up to the Congress to make them happen.

Mr. DUNCAN. Amen to that.

Mr. TAMARGO. Because it is the Congress that would need to lift the remaining elements of the embargo that have not already been lifted. And if Congress refuses to lift the embargo until these claims are paid, then these claims will be paid if Cuba wants access to the U.S. market.

Mr. DUNCAN. And, honestly, I think the Congressmen and women that I talk to believe that we ought to keep the embargo in place until some of this is addressed, but I don't have a poll on that.

Mr. Bradley, would you like to add anything to this discussion? If not, I am going to move on to the ranking member.

Mr. BRADLEY. I would just say, speaking as a private citizen, I am aware that in past situations, such as—I would point to Vietnam in particular. Vietnam still is a Communist country, but it recognized—and certainly Senator Helms played a big role in insisting that property claims were taken up early in the progress of arriving at normalization between Vietnam and the United States. And so that same analogy should apply here, in my view. Or that same mindset should apply.

Mr. DUNCAN. All right. Well, I appreciate it. I am going to turn to the ranking member. As you can see, I am a little passionate about this issue because I believe that the Castro brothers are

making immense demands on the United States for this normalization. And the administration is just giving in over and over and over without asking for concessions from the Cuban Government if we are going forward with this, more concessions for the Cuban people, which I have a heart for. And you heard some of the things I talked about.

But I think that—I go back to Tom Rooney's comments, one of the fundamental principles of a free society and free economy is the right to own property, an understanding that I own this parcel, and you own that parcel, and I have got fee simple claims to this.

And so I think this is an important aspect that I am glad we are doing this hearing today because before we go forward any more, this issue has to be addressed and I am glad we are addressing it today.

I turn to the ranking member.

Mr. SIRE. Thank you, Mr. Chairman.

You know, it wasn't just corporations and warehouses. You know, many Cuban nationals lost their properties. I can tell you, I came to this country; I was 11 years old. I still remember the military coming into the house, taking inventory of any items that we had in the house because you could not remove any item from the house. If they came back after you got your visa and there were items missing, they would revoke your visa.

I remember when they changed the currency, so if you had X amount of money in the bank the government only said to you: You can only have this amount, and we are taking the rest of your money.

I mean, I just we will never—I don't anticipate that my parents, who built their own houses, they are both passed away, and you know, I might not be hopeful of anything. But I am just hopeful all of those people who worked their businesses, who, through their sweat, built something, a dream in their lives, could get some sort of compensation. And we cannot have a government in Cuba that stole that property and now use that property to continue their military machine on the island because all of those properties are owned by the military of Cuba. And they run the hotels. They run the businesses.

So, for me, this is a crusade because I left when I was 11 years old. And I have this opportunity to serve in this great body and this great country, which gives me the opportunity to express how I feel about what the Castro brothers have done. They have stolen property from people who worked all of their lives.

So, with that, I am just going to ask, during your time at the Foreign Claims Settlement Commission, what were the challenges that you encountered?

Mr. TAMARGO. Thank you, Congressman.

For me, my challenges were to remain empathetic but impartial because the claimants always had to prove their claim. And I, too, am from Cuba, and I experienced the same issue when I was a child—well, my family did when I was a child. And the stories of the claimants who are always quite emotional, and in my testimony, I describe the feeling of losing your property and business in this traumatic way, and I observed this in all of the claimants

that I speak with, that it must be what it was—what it feels like when you lose a child because you never forget it.

And people think it is just property, but to the people it happens to, it is not just property. It is their lives. They pour their lives into that house, that business, those shops, and when it happens to them, it is quite dramatic, and they never forget it. And that is why it is important that the Congress hold fast on the embargo and allow these claimants to find closure.

But the Commission's work is very important. It has handled a lot of difficult issues. The claims process is transparent, so no one can challenge its validity or its approach to these claims because, as I explain later in the testimony, these negotiated settlements are two voluntary bilateral agreements between two countries, and both countries need to have confidence in the other country's claims. And so our claims need to be on the record, transparent, and clear as to the value and how we came to the value and who is the claimant and their nationality at the time. And that is all part of the claims process. And you have to be faithful to the claims process if you expect to have a successful negotiated settlement agreement.

Mr. SIRES. Mr. Bradley, would you like to add anything to that?

Mr. BRADLEY. No. Mauricio was the chairman for—

Mr. TAMARGO. Eight years.

Mr. BRADLEY [continuing]. Eight years. He has covered it pretty well.

Mr. SIRES. Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you, Ranking Member.

The chair will now go to Mr. DeSantis from Florida.

Mr. DESANTIS. Thank you, Mr. Chairman.

Thanks to the witnesses.

You know, it is puzzling to me dealing with the Cuba issue. We deal a lot with the Iran issue on this full committee, and it seems to be that the policies that the administration pursues are basically unilateral concessions to bad regimes. And, really, that serves as a detriment of the populations in those countries.

I mean, in Iran, there is a green movement that was really threatening the viability of the regime. The administration chose to not embrace that because they wanted to try to have a better relationship with the ayatollahs, and what we have seen since then is us engage in a lot of negotiations on a nuclear issue where it has been concession after concession, and it doesn't seem like we have received much as a result.

And I think the same thing with the Cuba issue, the policy is really a lifeline to the Castro regime and to the brothers and to the military. It is not doing anything to benefit the Cuban people. It is further solidifying the regime, and we are not getting, I mean, what have we received in the United States for these new policies? You know, we haven't received anything of note. They are still harboring terrorist fugitives in Cuba, people who are enemies of the country.

So it is really, really frustrating and the property to me is just an easy issue because if you are having a new relationship and you want to have—and the regime is going to move toward openness, well, obviously, you give back the property. I mean, to me, that is

just a bare minimum. And we haven't seen any property given back.

So this whole policy, I think, is not going to be successful, just as the Iranian policy is not going to be successful. I know that we are going to be voting, and I know we have another panel, so I really appreciate your testimony, both of you.

I will go ahead and yield back the balance of my time so we can move forward.

Mr. DUNCAN. I want to thank the gentleman.

And I was just monitoring votes, which they say they are going to call in a few minutes.

So Mr. Donovan from New York is recognized.

Mr. DONOVAN. Thank you, Mr. Chairman.

That is the chairman's way of telling me be very brief. As my friend from Florida just said, there are people like Joanne Chesimard, who have escaped the justice system of our United States after killing a New Jersey State trooper, and we are not demanding her return before we negotiate. And the poor people of Cuba whose human rights are still being violated; we are not asking for anything in exchange. It seems like the regime is making all of the demands on our country.

So I just wanted to thank you first for coming here and addressing this important issue for the Cuban people, the residents there, and ask if you think there is anything else. I mean, you are well aware of what Congress is doing to try to rectify this wrong. Is there anything else that in your opinion should be done by this legislative body that will help this process along?

Mr. TAMARGO. Thank you, Congressman.

Three things: Do not lift the remaining elements of the embargo that are in place; two, create the housekeeping and updating of the current certified claims; and, three things, create this penalty, trespass penalty, so that these certified claimants no longer are held up by this gridlock over Cuba policy. Those three things should be done.

I would also point to the Libyan settlement agreement as a possible model because that was a very complex settlement agreement. It took a long time. The Congress was involved in that one. Unfortunately, I don't see the Congress involved in the current ongoing negotiations with Cuba.

But at some point, the Congress needs to become involved because there are many more elements to this normalization process besides the certified claims. There is the Joanne Chesimard matter and the other criminals. There is the judgments that exist in the U.S. If there ever is commerce between our countries, judgments could be attached to certain commerce that would be going on. So a lot of other issues have to be dealt with, and the Congress is going to have to be the one to deal with them.

Mr. DONOVAN. Thank you.

Mr. DUNCAN. The gentleman—finished?

Mr. DONOVAN. Yes.

Mr. DUNCAN. Okay. I want to thank the gentleman. He is a brand new member of the subcommittee, and we want to welcome him, a new Member of Congress as well.

They have just called votes, so what we would like to do is go into recess, pending call of the chair. Come back as soon as we can after the last vote, and what we will do is, we will adjourn this panel. And when we reconvene, we will bring up the next panel.

I want to thank the panelists for being here, great testimony, and great work, and I look forward to working with you.

And, with that, we will stand in recess.

[Recess.]

Mr. DUNCAN. We will go ahead and reconvene the hearing and welcome our second panel. Their biographies are in the information provided to the committee beforehand.

I will go ahead and recognize Dr. Garcia-Bengochea.

**STATEMENT OF JAVIER GARCIA-BENGOCHEA, M.D.,  
CERTIFIED CLAIMANT**

Dr. GARCIA-BENGOCHEA. Thank you and good morning.

My name is Javier Garcia-Bengochea. I am a neurosurgeon in Jacksonville, Florida. I'm here not to discuss the litany of atrocities emblematic of Cuba under a Castro but to testify about the importance of property. It is sufficient prologue to say that, in Cuba, virtually everything is stolen.

My family left Cuba when I was 15 months old, after Fidel Castro confiscated 386 Cuban businesses on October 14, 1960. One of these, La Maritima Parreno, established in 1919, was a commercial shipping port and warehouses in Cuba's second largest city, Santiago, and a privately held Cuban corporation in which we had significant ownership.

La Maritima and its president, my cousin Desi Parreno, had supported the revolution in its difficult early days. Fearing arrest if he challenged the dictatorship, Desi left Cuba the following day, having transformed from progressive to conservative overnight.

A Princeton graduate and valedictorian of his 1938 class, Desi was no rube. He understood the impact of the confiscations on the rule of law and order. Like my parents, he feared civil war. Four days later President Eisenhower initiated sanctions that became the embargo. Eventually, Desi's brother, Alberto, an American citizen and New York lawyer would receive certification from the U.S. Treasury for his loss.

The world would isolate Cuba only to resume relations after settling the relatively small international claims. The claims of Americans and Cuban nationals, by far the largest groups, remained unsettled. These are the very reasons for the embargo, yet, incredibly, until today, they have yet to be mentioned, despite that Cuba has confiscated billions in foreign assets and incarcerated dozens of foreign executives, some without charges since 2008 alone.

Americans assume when they invest in Cuba clear title and basic protections will be in place. Nothing could be further from the truth. Contract sanctity, an independent judiciary, and transparent regulatory and enforcement agencies do not exist there.

Every American enterprise in Cuba, including tourism, will necessarily traffic in stolen properties, including brands and trademarks, maybe those of an American.

That has certainly been my experience. The State Department, for example, has occupied a penthouse apartment since 1977 in a building I own without my permission, much less payment at least.

At least two groups, Smith College and The Met, have received licenses to traffic in my port property.

Countless licensed travelers have paid admission to Havana's Museum of Fine Arts to view paintings stolen off the walls of our home.

Foreign entities Fred Olsen Cruise Lines and China Harbor Engineering Company do business in the U.S. while using my stolen port.

How is that right or even legal? The claims must be settled, or there will be conflict. Although Cuba is bankrupt, there are ways this can be accomplished. They can simply return the property, despite the unsavory proposition of partnering with totalitarians.

Cuba can pay with earnings from state-owned tourism, rum, art, and tobacco sales. Remittances to Cuba supporting ventures using stolen property could be taxed. Anti-trafficking laws should be robust and enforced, like title IV in the visa application. Title III of Helms-Burton should no longer be waived. If a foreign terrorist who damages our property abroad can stand trial in U.S. court, so can foreign traffickers.

If Congress eliminates the embargo and leverages without a fair settlement, then the U.S. Government should contribute. So-called business groups such as Engage Cuba and the U.S. Chamber of Commerce, who disgracefully lobby to lift sanctions without considering the claim, should pay, as well as companies who profited from sales allowed to Cuba since 2003.

The claimants can receive tax credits and effectively pay themselves. The marketplace should be created to permit competitive bidding for the claims. When change, democracy comes, joint ventures and contract between the regime and foreigners will be canceled. Confiscated properties will be returned to the rightful owners.

Unfortunately, American enterprises that capitulate with Cuba's dictatorship will oppose change. We have linked their success to the survival of the Castro regime.

I will finish with an encounter in Cuba 2 years ago. Before the revolution, my father was Cuba's premier neurosurgeon and considered a pioneer of modern neurosurgical training there. I was invited to speak in a neurosurgery meeting in Havana, and after initially declining, I decided to attend. Ignatio, which is not his real name, owned a taxi service of vintage American cars. He was an IT specialist at a foreign firm in Cuba that closed after being robbed by the regime who overlooked turning off his Internet connection. He ordered parts online from the U.S. Brought in by mules and impeccably rebuilt his 1959 Bel Air. Upon congratulating him for his success, he expressed deep concern that, as others made money and spent conspicuously, they, the government, would confiscate everything "when it was no longer convenient for them." In a surreal yet transcendent moment, he admitted he had become "what you call in your country a conservative."

Ladies and gentlemen, what is past is prologue. Unless the claims are settled, any American enterprise in Cuba will have the

legitimacy of a drug deal. Trafficking and stolen property is not economic opportunity. It is not pro-business or normal. It is criminal and immoral. Property rights are the foundation of our economy and society. They promote competition through nonviolent and lawful means and define our human rights. Without them, there is no capitalism or economic development. A just claims settlement will protect future American businesses in Cuba and burgeoning Cuban entrepreneurs.

The strength of our relationship with Cuba will directly correlate with the strength of the claims and settlements. Indeed, these claims are a litmus test of government and civil society itself. Validating the kleptocracy will undoubtedly bring more confiscations and the prospect of sanctioning Cuba, an embargo, again. To paraphrase the prophet Isaiah: Peace is the work of justice, so too is normalization.

Thank you very much.

[The prepared statement of Dr. Garcia-Bengochea follows:]

Good morning. My name is Javier Garcia-Bengochea. I am a neurosurgeon in Jacksonville, Florida and a certified claimant for property confiscated in Cuba.

My objective today is not to discuss the litany of atrocities emblematic of Cuba under a Castro, but to testify about the importance of property. It is sufficient prologue to say that in Cuba virtually everything is stolen.

My family left Cuba when I was 15 months old after Fidel Castro confiscated 386 Cuban businesses on October 14, 1960.

One of these, La Maritima Parreño, established in 1919, was the commercial shipping port and warehouses in Cuba's second largest city, Santiago, and a privately held Cuban corporation in which we had significant ownership.

La Maritima and its president, my cousin Desi Parreño, had supported the revolution in its difficult early days. Fearing arrest if he challenged what had become a dictatorship, Desi left Cuba the following day.

A Princeton graduate and valedictorian of his 1938 class, Desi was no rube. He understood the implications of the confiscations on the rule of law and order. Like my parents, he also feared civil war.

Four days later President Eisenhower initiated sanctions that became the embargo.

Eventually, Desi's brother, Alberto, an American citizen and New York lawyer would receive certification from the U.S. Treasury for his loss. Years later, Desi would quip that he literally went from "progressive" to a "conservative" overnight.

The world joined in isolating Cuba, resuming trade after eventually settling their relatively small international claims. The claims of Americans and Cuban nationals, by far the largest group, remain unsettled.

The following underscores their significance: since 2008 Cuba has confiscated billions in foreign assets and incarcerated dozens of foreign executives, some without charges. Cuba is unreformed and unrepentant. Who will be the first American arrested?

Americans dismiss the U.S. claimants to be big corporations. While corporations represent approximately 85% of the value, 90% of claimants are ordinary citizens, many who lost everything in Cuba. Time adds to rather than diminishes their loss.

Americans assume when they're permitted to invest in Cuba clear title and basic protections will be in place. Nothing could be further from the truth.

Contract sanctity, an independent judiciary and transparent regulatory and enforcement agencies do not exist there.

Every American enterprise in Cuba, including tourism, will necessarily traffic in stolen properties, including brands and trademarks, maybe that of an American.

That has certainly been my experience. The State Department, for example, has occupied a penthouse apartment since 1977 in a building I own without my permission, much less payment.

At least two groups, Smith College and The Met, have received licenses to traffic in my port property.

Countless licensed travelers have paid admission to Havana's Museum of Fine Arts to view paintings stolen off the walls of our home.

Foreign entities Fred Olsen Cruise Lines and China Harbor Engineering Company do business in the U.S. while using my stolen port.

How is that right or even legal?

The claims must be settled or there is certain to be conflict. Although Cuba is bankrupt there are ways this can be accomplished.

They can simply return the property, despite the unsavory proposition of partnering with totalitarians.

Cuba can pay with earnings from State-owned tourism, rum, art and tobacco sales.

Remittances to Cuba supporting ventures using stolen property could be taxed.

Anti-trafficking laws should be robust and enforced. Title III of Helms-Burton should no longer be waived. If a foreign terrorist who damages our property abroad can stand trial in a US court, so can foreign traffickers.

If Congress eliminates the embargo and leverage without a fair settlement then the U.S. Government should contribute.

So-called business groups such as "Engage Cuba" and the U.S. Chamber of Commerce who disgracefully lobby to lift sanctions without considering the claims should pay, as well as companies who've profited from sales to Cuba since 2003. All revenues from Cuba should be taxed to pay the claims.

The claimants can receive tax credits and, effectively, pay themselves.

A marketplace should be created to permit competitive bidding for the claims.

When change- democracy- comes, joint ventures and contracts between the regime and foreigners will be cancelled. Confiscated properties will be returned to the rightful owners. A claim is proof.

Unfortunately, American enterprises that capitulate with Cuba's dictatorship will oppose change. We've linked their success to the survival of the Castro regime.

I'll finish with an encounter in Cuba 2 years ago. Before the revolution my father was Cuba's premier neurosurgeon and considered a pioneer of modern neurosurgical training there. I was invited to speak at a neurosurgery meeting in Havana. After initially declining, I decided to attend.

Ignacio (not his real name) owned a taxi service of vintage American cars. He was an IT specialist at a foreign firm in Cuba that closed after being robbed by the regime, who overlooked turning off his internet connection. He ordered parts online from the U.S. brought in by "mules" and impeccably rebuilt his 1959 BelAir.

Upon congratulating him for his success, he expressed deep concern that as others made money and spent conspicuously, "they", the government, would confiscate everything "when it was no longer convenient for them". Unable to grow his business. He kept his money hidden at home.

In a surreal yet transcendent moment, he admitted he'd become "what you call in your country a conservative".

Ladies and gentlemen, what is past is prologue. Unless the claims are settled any American enterprise in Cuba will have the legitimacy of a drug deal. Trafficking in stolen property is not economic opportunity; it is not "pro-business" or normal; it is criminal and immoral.

Settling the claims is essential to re-establishing property rights, which are the foundation of our economy and society and the source of our prosperity. They promote competition through non-violent and lawful means and define our human rights. They are the basis for credit. There is no capitalism or economic development without these.

Ironically, a just claims settlement stands to benefit future American businesses in Cuba and burgeoning Cuban entrepreneurs more than the claimants.

It is also not hyperbole to say the strength of our relations with Cuba will directly correlate with the strength of the claims settlements. Indeed, these claims are a litmus test of government and civil society itself.

Validating the kleptocracy as we are doing will undoubtedly bring more misery, more confiscations and the prospect of sanctioning Cuba- an embargo- again. To paraphrase the prophet Isaiah, peace is the work of justice, so too is normalization.

Thank you.

Mr. DUNCAN. I want to thank you for that testimony.

I want to thank all the witnesses for sharing their stories with us today.

I recognize Ms. Chester lamb.

**STATEMENT OF MS. CAROLYN CHESTER LAMB, CERTIFIED CLAIMANT**

Ms. CHESTER LAMB. Thank you, Chairman Duncan, Ranking Member Sires, and members of the committee for your leadership and attention to this matter to Americans and throughout the United States. We have been waiting a long time.

My name is Carolyn Chester. I live in Omaha, Nebraska. I am a single, divorced mother of one teenaged son. And I have been the sole supporter of my family since 2010. I have a modest house. I live a modest lifestyle. And I drive a 16-year-old car.

I represent my family's claim, number 1704. My father was Edmond Chester, and he was the director of CBS News. But most of you probably have never heard of him. My father supervised famed reporters, such as Edward R. Murrow, Eric Sevareid, and Howard K. Smith, all recognizable names, but not his.

My father a true patriot and combatted communism as a soldier in World War I and an executive with CBS when he worked with our State Department's Office of Inter-American Affairs' Voice of America. When the Communists took Cuba, they also took over the radio stations, TV stations, newspapers, and they were able to manipulate and rewrite history. That is when the lies and slanders of those who were in Cuba before 1959 started.

My father's best friends were all patriots, and one of them was my godfather, General T. McInerney, who served as lieutenant colonel under General Eisenhower's staff and the director of public relations for the U.S. Department of Justice. Excuse me, I am a little nervous.

I was just 6 months old when my family's properties were taken. So I refer to the letter that my father wrote to the Foreign Claims Settlement Commission, which explains the circumstances. Their property was actually taken in January 1959, before Castro created laws to make it legal to steal. They took an 80-acre farm from the Isle of Pines, Cuban telephone stock, our cars, jewelry, furniture and all our personal possessions that were in our apartment in Miramar. My parents spoke frequently about Cuba and what happened to them, and they thought justice would be served during their lifetime, but it was not.

There was a time that our legislators and fellow Americans cared, but with time and memories passing, the confiscation has faded. It is almost as if the event has been erased from time and history. However, this still happened. It is very real, personal to us and just because it happened a long time ago does not mean it didn't happen because it did.

I know from speaking to people about the U.S. certified claims that most don't understand anything about it, but it is very simple: We are Americans who were living, working investing in Cuba when the Communists took over and took our properties. We were not at war with Cuba, and this was the first time in U.S. history that American properties were expropriated during peacetime.

Families lost their livelihoods and suffered financial ruin for the loss of their possessions. Castro didn't just confiscate out properties, but he also took the hopes, dreams that our parents once had for our future. Excuse me.

The confiscation also affected my father's health. I was only 11 years old when his health began to decline. I remember that my father was in and out of hospital many times over the years, and my mother took care of him for many years, always hoping that he would improve. But he did not. Edmund Chester died 1973 when I was 15 years old. I never really knew what he died from, but looking back at it, I think it was from the Cuban loss and the stress. It caused him a series of strokes, and he also suffered from bouts of confusion. I remember one incident when I was just a little girl. He was frightened because he thought Castro's henchmen were in the house wanting to kill him, but nobody was there.

So it was not until much later on in life that I understood why he was so scared. In 1959, a group of Castro's men shot at our home as they drove into our driveway. I remember hearing about this when I got older, and I also remember seeing the bullet holes wall in our wall of our family home in Mount Dora, Florida. So his paranoia was not unwarranted.

After my father passed away, my mother was left alone to raise her children without any source of income. My mother did the best she could, and in the end, she sold everything, including personal items to survive and support us. We never faulted her for selling our inheritance in order to make ends meet. And in the end, we were left with debt to pay back her creditors. We didn't abandon our properties. They were taken from us. And in many cases, claimants' properties were taken at gunpoint by Castro's soldiers.

We didn't have any warning by our Government that the new Cuban Government was planning to steal our properties, yet apparently Castro's manifesto was writ 10 years ago and published in Mexico. He threatened that he would do this, and he did. And our Government failed to protect us, and now some 55 years later, here we are defending our claims. We are Americans who were the victims and not the culprits.

The notion that claimants should discount their claims in order to make way for commerce is unacceptable. We are not responsible for the economic failures of the communism since we have already paid with our family fortunes. Furthermore, punitive damages for the pain and suffering that this has caused our families, along with 55 years of waiting, should have been included in this determination of the value of our claims.

All foreign businesses have 50/50 partnerships with the Cuban Government, so that means profits are being split. So the United Kingdom and Canada, who are our allies, have enacted laws to protect their Cuban investments from our Helms-Burton Act. When a foreign company operating in Cuba opts—pays their workers' salaries, it must all go to the Cuban Government, who keeps 96 percent of it, leaving their worker with a pittance of their salary, and so they are treated as slaves.

The Cuban Government also collects loss of money skimming off the remittance sent by Cuban Americans to their relatives in Cuba.

The Cuban Government does have a way to pay us back. They just don't want to because they are used to taking.

I know that many will still think that the Cuban Government is poor, and that's fine. But you must realize that once the floodgates of trade with the U.S. opens, there will be means to pay us back, and we will accept payments, as long as it is paid back in full.

It is also very disturbing for me to hear that those working uncomfortably close with the Cuban Government—Americans—tell us that we should only get pennies to our dollar. It is well-known fact that the junta running Cuba has hired expert international accountants and lawyers to hide their fortune in offshore accounts that can never be traced. Our Office of Foreign Asset Control has collected billions and billions in fines from banks and businesses that broke our laws. So a portion of that money should have been used to pay back the Americans.

Another solution would be to get another entity to pay our debt. There are a lot of U.S. conglomerates that are biting at the bit to do business with the Cubans. And if they want to get rid of us because they cause an obstacle, they should just pay—buy our debts and deal with the Castros themselves because we have been dealing with it for 55 years.

There is also Cuban money that was frozen a long time ago that should have been part of the legislation. But that was admitted. All we want is our payment for our claims set by the Foreign Claims Settlement. And I think 55 years of a lifetime is waiting too long.

Thank you for your attention in this matter. I am finally feeling like someone gives a damn. God bless you.

[The prepared statement of Ms. Chester Lamb follows:]

Thank you Chairman Duncan, Ranking Member Sires, and Members of this Committee, for your leadership and attention to this important matter to Americans from throughout the United States.

My name is Carolyn Chester Lamb, and I live in Omaha, Nebraska. I'm a single divorced mother with one teenage son, who has been the sole supporter of my family since 2010. I have a modest lifestyle, live in a small home, and drive a 16-year-old car.

I represent my family's lost properties that were taken by the Communists, when they took over the Cuban government in 1959. The Castro government took all properties, belonging to all Americans in Cuba, and then began to take properties from all other countries operating in Cuba, including the properties of Cuban citizens.

My father was Edmund A. Chester and he was the director of CBS News, but most of you probably have never heard of him. My father supervised famed reporters such as Edward R. Murrow, Eric Sevareid, and Howard K. Smith, all recognizable names, but not his. My father was a true patriot and combated communism as a soldier and as an executive with CBS when he worked with our U.S. State Department's Office for Inter-American Affairs' Voice of America. When the Communists in Cuba took over the radio stations, TV stations, and newspapers, they were able to manipulate and rewrite history. That is when the lies and slander of those who were in Cuba before 1959 started. My father's best friends were all patriotic Americans and one of his best friends was my Godfather, General Timothy McInerney, who served as Lieutenant Colonel on General Eisenhower's staff and as the Director of Public Relations for the U.S. Department of Justice.

In 1964, legislation was enacted that allowed Americans who were victims of this confiscation the opportunity to file a claim against Cuba for their losses. I have included documentation along with this statement, of a letter that my father wrote to the Foreign Claims Settlement Commission, that explains in more detail the circumstance and properties that were expropriated. I was just a baby when this happened, so I refer to my father's letter to the Foreign Claims Commission to explain the events. The letter states that my parent's properties were taken in January of 1959, so it appears he was one of the first Americans that had his properties taken.

Thank goodness my father was back in our home in Mount Dora, Florida for the Christmas holidays, otherwise we are sure that he would not have made it out of Cuba alive. My parents spoke frequently about Cuba and I didn't know much about the details of what happened to them. However, I always knew even as a young child, that Fidel Castro was the bad man that stole from our family. I remember hearing my parents say that maybe when Fidel Castro was gone from Cuba, maybe then we would get our properties back. I heard that all my life and after my mother passed away, I found a file folder full of newspaper articles that she had clipped concerning Cuban relations and the status of the embargo. She followed any and all news stories about the embargo, because she always held on to the hope that she would see change come to Cuba in her lifetime, but it did not.

I know from speaking to people about the U.S. Certified Claims, that most of them don't understand anything about it. It's very simple: we were Americans citizens, who were living, working, and investing in Cuba when the communists took over the pro-democracy government in 1959. We were not at war with Cuba and this was the first time in U.S. history that American properties were expropriated during peacetime. It appears however, after reading articles from newspaper archives from when this expropriation occurred, that Fidel Castro held our properties for ransom, and used it as a ploy to force the United States to continue to buy sugar from them at higher prices set by him. That's called blackmail and extortion and the communists used it readily and often, to try to get what they wanted.

Families lost their livelihoods and suffered financial ruin from the loss of their possessions. Castro didn't just confiscate our properties, but he took the hopes and dreams that our parents once had for us, their children! The confiscation also affected my father's health and I was only 11 years old when his health began to decline. I remember that my father was in and out of hospitals many times over the years and my mother took care of him for many years, always hoping that he would improve, but he did not.

Edmund Chester Sr. died in 1973, when I was only 15 years old. I never really knew what he died from, but in hindsight, I think it was a series of strokes, because one side of his face appeared to be paralyzed. He also suffered from bouts of confusion, and I remember one incident, where he was frightened because he imagined that Castro's henchmen were in our living room, looking for him. Of course no one was there, but he had good reason to be scared. I didn't really know much about this incident, but apparently right after the overthrow, there was a drive by shooting at our home in Mount Dora, Florida. I remember later in life, hearing about it, and then being shown the bullet holes in the wall of our home, and also being told that it was Castro's men.

After my father passed away, my mother was left alone, to raise her children without any source of income. My mother did the best she could, and in the end sold everything, including personal items, to survive and support us. We never faulted her for selling off our inheritance in order to make ends meet, and in the end, we were left with debt to pay back to her creditors.

We didn't abandon our properties; they were taken from us, and in many cases claimants had their properties taken at gunpoint by Castro's soldiers. We didn't have any warning by our government that the new Cuban government was planning to steal our properties, yet apparently Castro's manifesto written years earlier and published in Mexico, threatened that he would do this. Our government failed to protect us then, and now some 56 years later, has not bother to acknowledge our existence or recognize our certified claims. The recent declaration by our president about the easing or removal of the embargo, spoke about the freedom of the Cuban people, but that was just a guise and what he was really saying was that American businesses want to make money in Cuba, and he's going to let them. If the president really cared about freeing the people of Cuba, he would insist on

change in Cuba's labor practices, and would insist on full compensation for us, the Americans he's supposed to represent.

And now here we are, defending our claims, and begging for fair payment, as promised to us when our claims were certified by the FCSC. We know that there are those who are attempting to rewrite history by tainting our reputation by portraying us as something other than what we really are, but it's all very simple. We are the Americans who were victimized and now, this needs to be made right! When Castro seized power in Cuba, he also seized all the newspapers, and when he did that, he was able to re-write history to his liking and will. I know and understand why our reputation has been smeared, and nothing I can say or do will change the minds of those who have been influenced and indoctrinated by Castro's propaganda machine. The notion that claimants now should discount their claims, in order to make way for commerce, is unacceptable. Furthermore, the pain, suffering, and health issues caused by this expropriation, to our family, should have been calculated as punitive damages and included in the compensation of our claims. We've been paying for this for the past 56 years, and it's time to resolve our claims and compensate us fairly and in accordance with the FCSC decision.

In 2008, I began researching the claims issue and working to rebut the various groups of people who were diminishing the value of our claims. These same groups have also lobbied to end the embargo and have written various reports to back up what they say. I question the validity of these reports, because many of them have uncomfortably close relationships and dealings with the Cuban government. These same groups of Cuban Experts may say that our claims are worthless because of the economic situation in Cuba, but to their business clients, they profess that Cuba is the next best investment paradise. So when I'm told that my claim is worthless, but what's being told to others is that investing in Cuba is wise, these statements appear to be contradictory and borderline treasonous.

The U.S. Cuban Trade Embargo was put in place in order to force the return of the American properties, and that did not work. Castro used the seizure of the American properties as a ploy and threatened that these properties would never be returned, unless the U.S. agreed to continue to pay for Cuban sugar. So thus began the half a century ransom of our properties!

There have been all sorts of amendments and changes to the restrictions of the U.S. Cuban Embargo, yet no one has addressed or discussed resolution to the family claims until now. The myth that Cuba has no money and no one is doing business there because of the U.S. Embargo is not true. The Canadians, UK, Spain, China, and Germany have been in Cuba for a long time, and even our U.S. Chamber of Commerce president began to make trips to Cuba in 1999. Our allies have always been countries like Great Britain and Canada. However, in order to protect their investments in Cuba, they enacted legislation to repeal the Helms Burton Act.

All foreign businesses must have a 50/50 partnership with the Cuban government and all foreign business employers must pay the salaries of their Cuban workers, directly to the Cuban government. The government keeps 96 percent of it and therefore continues to

keep its citizens in economic shackles and treats them like slaves. Where is that money going? It is not being reinvested in Cuba or used for betterment of their daily lives. Both U.S. and foreign businesses know this is the way the communist government operates. I think it is ironic that the Americans that were in Cuba before 1959 are called greedy capitalists, yet the insults should be hurled at American businesses that currently want to exploit this cheap labor, in order to profit in Cuba. Not only is the cheap workforce enticing American investors, but Cuba will not tax you, and you'll be guaranteed to have your own monopoly, since you'll be in business with the Cuban government, and they don't allow competition in the Cuban markets.

No money is being spent on Cuba's infrastructure and Cuba collects assistance from agencies worldwide, including the United States. Cuba collects a portion of the remittance that Cuban Americans send home to their relatives and they keep most of their workers' salaries. All foreign businesses operating in Cuba must be approved by and be in a contractual partnership with the Cuban government, so that means that profits are being split. So my question is, why is Cuba poor and where is all that money going? The communist leaders in Cuba never did share their ill begotten wealth, as their revolutionary rhetoric promised. They have kept it for themselves. Even more disturbing is the well-known fact that the Junta running Cuba has hired expert international accountants and lawyers, to hide their fortunes in offshore accounts that can never be traced.

Cuba does have the means and ways to pay us back. Additionally, this will only increase, if trade restrictions are lifted. The U.S. Office of Foreign Asset Control has collected 180 billion dollars in fines from banks and businesses that broke our laws and were fined, so a portion of that money should have always been used to pay back the Americans that were harmed in those countries. Another solution is for one of these large conglomerates, or a group of them, to just buy our debt. That way we are no longer in the equation, and now no one had to deal with 5,913 claimants, because we'll be paid and gone. All we want is full payment for our claims, as set by the Foreign Claims Settlement Commission!

I have provided to the committee supplemental documentation, such as a biography on my father, personal letters written home from Cuba, archival news stories concerning this subject matter, and photos and documents from my father's archives. I felt that these materials were important to present and supports my testimony to the committee.

Thank you again, for allowing me to speak on the behalf of my parents U.S. Certified Claim, CU-1704

Mr. DUNCAN. Thank you, Ms. Chester Lamb.  
Ms. Rosoff, 5 minutes.

**STATEMENT OF MS. AMY ROSOFF, HEIR OF CERTIFIED  
CLAIMANT**

Ms. ROSOFF. I'm here on behalf of my family, especially my mother, who is 80 and could not be here today. I am representing the three certified claims my family has filed with the Foreign Claims Settlement Commission.

Thank you, Mr. Chairman and members of the committee for the opportunity to share my family's story.

My grandfather, Morris Schechter, later called Mauricio, moved to Cuba in 1902. He started a business and was a founding member of the United Hebrew Congregation in Havana. In 1913, he married my grandmother, Jeannette, and they became pillars of the Cuban American Jewish community. Jeannette and Mauricio had four children, two of whom died in Cuba and are buried in Guanabacoa Jewish Cemetery that Mauricio helped consecrate in 1910.

My grandmother's house is the main part of CU-1458. My cousin, Robert Schechter, visited Cuba as part of a mission trip several years ago and was actually able to visit the house. At the time, and as far as I know to this day, it was being used by the Chinese Embassy. Claim CU-1090, filed by my father, Roy, is based on the value of stocks and business holdings, including a shirt factory and wholesale business, a farm, and a portion of my grandmother's house.

My father born June 1924 and attended Ruston Academy, a bilingual school. He later attended the University of Michigan but soon enlisted in the U.S. Army and fought in the Pacific theater during World War II. He returned to Cuba after the war and worked in the family business Compania Onyx, which manufactured clothing.

My father took over the business following the death of his father and older brother. In 1957, he married my mother, Lois Levine, and she joined him in Cuba. My maternal grandfather, Herbert Levine, also invested in Cuba and formed Rainbow Development Corporation, claim CU-611. This claim is comprised of attractive land that had timber and very pure silica sand. They grew tobacco, tomatoes, and built a saw mill that provided jobs for local residents. The Saw Mill was sabotaged during the revolution and set on fire. My mother said they think it was because they were Americans.

The last time my parents went to the farm, planning to do the payroll, they were met by armed soldiers, and after a brief discussion with them, my parents drove away, never to see the farm again. Immediately after the revolution, business was actually good. In fact, my father invested money in updating machinery at the factory. After about 6 months, however, Castro imposed regulations that made it impossible for the factory to be productive. Essential commodities, such as buttons and bindings, were impossible to find since they couldn't be imported. So they had no means to really make a living anymore.

Leaving Cuba was a very difficult decision for them, but since they couldn't make a living, they really felt they didn't have a

choice. They paid off all of their debts so that when they could one day return to Cuba, they would be in good standing. They left on one of the last ferries to Key West in April 1961, taking only clothes with them.

My mother hid her wedding ring in a cloth diaper she stained with vanilla and smuggled it out in my brother's diaper bag. She figured that if the soldiers wanted to search a dirty diaper bag, they were welcome to her ring. They ended up in Nyack, New York, staying with my mother's parents.

My father had great difficulty finding a job and eventually went to work in my grandfather's shoe store. I grew up knowing that my father hoped he would one day return to Cuba, but he passed away in 2004. And I know a part of him is still in Cuba.

My grandmother, Jeannette, didn't plan on leaving Cuba, since her husband and two children were buried there in Guanabacoa. She left on what she thought was a vacation, but the political climate changed while she was in the States with family, and she couldn't return.

My grandmother was in her seventies, frail, and had left her home with virtually nothing. She settled in Miami and lived with her sister-in-law where they lived very frugally in a small apartment. She spent last years in a nursing home and passed away at the age of 96, heartbroken that she never returned from her vacation.

I would love to reclaim ownership of my grandmother's house. It is truly a family legacy and has great sentimental value to us. I don't know how realistic that is, but as far as the other two claims, I think that a fair, just financial settlement may be the best outcome. My father and grandmother had their homes, businesses, property, and investments stolen from them. There is no way to quantify it. Their lives were redefined without their consent and multiple generations of our family have been affected. When my father filed the claims, it was in good faith that they would be honored and settled fairly.

We look to you as our Representatives to champion—not just a new chapter in the political playbook—but to work side by side and as innovators in advocating justice. There is bound to be burgeoning opportunity in Cuba in the next few years, but it should not be at our expense. In this way, perhaps a plan can be crafted that ensures fair compensation to those of us who had property seized while also allowing investment in a brighter future for the Cuban people.

Thank you.

[The prepared statement of Ms. Rosoff follows:]

Written Statement of Amy Rosoff for the Committee on Foreign  
Affairs Subcommittee on the Western Hemisphere

June 18<sup>th</sup>, 2015

Subcommittee Hearing: The Future of Property Rights in Cuba

My name is Amy (Schechter) Rosoff, and I'm representing the three Certified Claims my family has filed with the Foreign Claims Settlement Commission. I'm here today on behalf of my mother, who is 80 and an heir to CU-0611 filed by Rainbow Development Corporation, CU-1090 filed by Roy Schechter, and CU-1458 filed by Jeannette Schechter. Thank you for the opportunity to share my family's story.

Joseph Steinberg, my grandfather's cousin, lived in Tampa, Florida and was a supporter of Jose Marti, the great Cuban liberator. Born in Romania, he came to the United States as a child with his parents who settled in Tampa, Florida. He financed the Cubans in Tampa in their campaign for Cuba's independence and fought in the war for the liberation of Cuba, rising to the rank of Captain in the Cuban army. He settled in Havana after the Cuban-American war, and his cousin Morris Schechter joined him there.

Morris Schechter started a business, was a founding member of the United Hebrew Congregation in Havana. He married his wife Jeannette and they became pillars of the Cuban-American Jewish community. They hosted many Jewish visitors to their home and were active in philanthropic activities. Jeannette and Mauricio (Morris) raised their 4 children Israel, Nancy, Roy, and Silvio. Mauricio, Israel, and Silvio all died in Cuba and are buried in the Guanabacoa Jewish cemetery that the Schechter's and Steinberg's had helped to get consecrated in 1910.

Jeannette's house is the main part of CU-1458. When the house was first confiscated, we heard through grapevine that it was being used as a sewing school, however, my cousin Robert Schechter visited Cuba as part of a mission trip several years ago and was able to visit the house and take some pictures. At that time (and as far as I know, to this day), it was being used by the Chinese Embassy. Although Bob was allowed to take photographs of the front of the house, he was denied access past the gates, so a nice Chinese soldier took some pictures of the back of the house for him.

Claim #CU-1090, filed by my father, Roy Schechter, is based on the value of stocks and business holdings, including a shirt factory and wholesale business, a farm, and a portion of my grand mother's house. My father was born in June of 1924, and had dual Cuban and American citizenships. He attended Ruston Academy, a bilingual American college prep school, and then matriculated to University of Michigan, but soon enlisted in the U.S. Army, and fought in the Pacific Theater in WWII. He returned to Cuba after the war, working in the family business, Compania Onyx, which was comprised of a shirt factory that made guyaberas and other apparel, and a wholesale textiles and findings company. My father took over the running of the Compania Onyx following the deaths of his father and older brother Rael (Israel).

In 1957 he met and married my mother, Lois Levine, an American woman from Nyack, NY, who joined him in Cuba. My brother, Michael Schechter, was born in 1958, in Nyack, NY, where my maternal grandparents had a shoe store. My grandfather, Herbert Levine, enjoyed dabbling in real estate. He asked my father to look for an investment in Cuba. My grandfather and a group of other investors from Nyack formed Rainbow Development Corporation as which filed claim CU-0611. The land my father found was Finca Santa Barbara, a tract of 14,000 acres in Pinar del Rio, comprised of timber, highly pure silica sand, and lakes. The long-term plan was to develop part of the property as a resort. In the meantime, they grew tobacco, vegetables, and built a sawmill, which provided jobs for local residents. They had planned on using the sand to produce cement to be used in housing construction. We do not know how this property is currently being used, but today this sand may have much more value than in the past as uses for such pure silica has changed.

Immediately after the revolution, business was actually good. In fact, my father invested money in updating machinery at the factory. After about six months however, Castro imposed regulations that made it impossible for the factory to be productive. With these restrictions, essential commodities such as buttons were impossible to find.

The last time my mother and father drove the 150 miles to Finca Santa Barbara, with plans to the payroll, they were met by armed soldiers and after a brief discussion with them, drove away, never to see the farm again.

Leaving Cuba was a difficult decision, but they could no longer make a living there. According to new Cuban laws, people leaving the country were not allowed to take anything of value out of the country, so my parents sold my father's car and household appliances. This money was used to pay all of their debts so that when they returned to Cuba, they would be in good standing. Their furniture was packed, containerized and arrangements were made for it to be shipped to Miami. They left on one of the last ferries to Key West in April of 1961, taking only clothes with them. My mother hid her wedding ring in a cloth diaper she stained with vanilla and smuggled it out in my brother's diaper bag. She figured that if the police wanted to search a dirty diaper bag they were welcome to it. They were lucky enough to be able to take out my mother's car since it had been purchased in the United States. The furniture never left the dock.

They ended up in Nyack, N.Y., staying with my mother's parents. My father had great difficulty finding a job and eventually went to work in my grandfather's shoe store. My father worked 6 days a week, rarely took vacations, and from what I understand, really disliked selling shoes. However, this was his new life, and was his means to supporting his family.

My grandmother, Jeannette Schechter did not plan on leaving Cuba, since she had her husband and two children buried in Guanabacoa. She came out on what she thought was a vacation to visit her daughter Nancy, who lived in Goshen, N.Y., but the political

climate in Cuba changed during this visit, so that she could not return. When she left, my grandmother was in her 70's and frail. She had left her home with just clothes for traveling, so had with virtually nothing. She settled in Miami and lived with her sister-in-law, where they lived frugally in a small apartment. In her 90's, she moved north to be near her daughter and son and spent her last years in a nursing home. She passed away at the age of 96, heartbroken that she never returned from her 'vacation'. One day, I hope to be able to bring her remains to the Guanabacoa Jewish Cemetery in Havana, so she can finally join her husband 'Mauricio' Morris Schechter and children.

I grew up with my father's hope that he would be able to return to Cuba, a palpable presence in our house. My father changed when he spoke Spanish. I used to say that when he spoke in Spanish, he smiled when he talked, and when he talked in sleep, it was always in Spanish.

I lived in Union City, New Jersey for a few years, and my father loved it. Union City likely has the largest Cuban community in the U.S. outside of Miami and Tampa. It was great to see him happily chatting in Spanish while getting a café solo on Bergenline Avenue. It was a taste of home for him. He passed away in 2004, and I know a part of him is still in Cuba.

What's next for the Schechter's legacy in Cuba? People ask me if we want the property back or if we just want to receive a settlement and be compensated financially. That's a difficult question, and it has a mixed answer. I would love to reclaim ownership of the house. It's truly a family legacy and has great sentimental value to us. It is a piece of family history that was stolen from us. As far as the other two claims, I think that a fair, just financial settlement may be the best outcome.

My hope is that the United States and Cuba restore diplomatic ties, but only after a fair settlement of the claims has been reached. Our property may have been stolen over 50 years ago, but we've seen our parents and grandparent's lives altered irrevocably because of the confiscations. My father and grandmother were American citizens who had their homes, businesses, property, and investments stolen from them; in effect, everything they owned, everything they worked for their entire lives up to that point. The effects of this on my family was life-altering. There is no way to quantify it; their lives were redefined without their consent, and multiple generations of our family have been affected.

I hope that politics can be removed from the equation in discussion regarding settling the claims. It isn't a political issue to me; it is a personal one, as it is for every American citizen affected. My politics do not define my desire for justice. We are United States citizens whose land was stolen. When my father filed the claims, it was in good faith that they would be honored and settled fairly.

I, along with the many other families who have lived in the wake of irrevocable change, loss and sadness, look to the United States and you as our representatives to champion not just a new chapter in the political play book, but to work side by side and as innovators in advocating justice. We ask you to use the pain of our circumstances as the pen by which to forge a new future in newly emerging landscape of trust and collaboration. There is bound to be burgeoning opportunity in Cuba in the next few years. It should not be at our expense. In this way, perhaps a plan can be crafted that ensures fair compensation to those of us who had property seized while also allowing investment in a brighter future for Cuba.

Mr. DUNCAN. Thank you so much for that testimony.  
Ms. Anna-Lee Stangl.

**STATEMENT OF MS. ANNA-LEE STANGL, SENIOR ADVOCACY  
OFFICER FOR THE AMERICAS, CHRISTIAN SOLIDARITY  
WORLDWIDE-UK**

Ms. STANGL. Good morning, thank you so much, Chairman Duncan, for allowing me to give this testimony this morning. And thank you to all those in attendance for your attention to this important issue.

Before I begin my testimony, I would like to ask that a set of letters from Cuban pastors to you, Chairman Duncan, be entered into the record.

Religious groups of all types, Catholic and Protestant as well as other religious groups in Cuba, saw many of their properties confiscated in the years following the revolution. The return of some of these properties has been a key focus area of talks in recent years between the Roman Catholic Church and the Cuban Government.

Other religious groups have also held dialogues with the Cuban Government with the same objective with varying degrees of success.

In recent years, the churches most vulnerable to the threat or act of government confiscation of their property have been what are usually referred to as house churches. Many are actual houses that have been converted by the owner at some point into a church. Others are buildings built more recently on private property and used exclusively as churches but without permits for religious activity.

Properties linked to unregistered religious groups are particularly vulnerable. One emblematic example have been the property located at Avellaneda 278 between San Esteban and San Martin Streets in the historic city center Camaguey. This property was acquired by the Reverend Omar Gude Perez and his wife Kenia Denis Bravo in 2003. A relatively large property for the location, it has acted as family home and place of worship. It is also a training center for church leaders from across the country who are affiliated with the Apostolic Movement, a charismatic Christian network of churches that authorities have refused to register.

Before leaving the country in 2013, having received asylum in the United States, Reverend Gude and wife officially transferred the property to their nephew, Reverend Yiorvis Bravo. The transfer was carried out legally, in line with Cuban laws. The transfer papers were in fact signed by government notary. Reverend Bravo Denis was already living in the property with his wife and small child and subsequently took over the church and religious training center.

In September 2013, the government summoned Reverend Bravo to a court hearing where they summarily found his ownership of the property to be invalid, despite the paperwork provided, and declared it belonged to the government. The government notary who had signed off on the transfer did not appear. Reverend Bravo refused to vacate the property and was subject to a day's long active repudiation.

Shortly thereafter, Reverend Bravo was summoned by housing ministry officials, who offered to allow him to stay on the property as a rent-paying tenant to the government if he agreed to submit all planned religious activities to the government in advance. The government set the rent for his own property at \$300 per month, 15 times the annual salary for a Cuban.

He turned down this offer, refused to sign the papers, and stated his intention to remain in the property. To date, he has managed to do so, although the government has repeatedly declared that it still considers itself to be the owner of the building and reserves the right to evict the family any time. We believe they have not been evicted by force thus far because the case has received international attention. But the vulnerability of the family, who have been stripped of property rights, remains of great concern.

This year on May 21 the legal offices of Poblete Tamargo submitted a request for precautionary measures on behalf of Reverend Bravo to the Inter-American Human Rights Commission. Both Reverend Omar Gude and Yiorvis Bravo have submitted letters, which I mentioned earlier.

We regularly receive reports of threats of confiscation of properties from unregistered religious groups, such as the Apostolic Movement, but the government is also guilty of targeting the property of historic and registered religious groups. The threat or act of confiscation of church properties has often appeared to be a tactic of the government to pressure or punish a church or larger denomination.

One of the most egregious cases was the 2012 retroactive nationalization of the historic property belonging to the Baptist Church in Yaguajay in the Province of Sancti Spiritus. The church is part of the Western Baptist Convention of Cuba, one of the largest historical and registered denominations in Cuba.

More recently, CSW has received worrying news that new legislation, which came into effect in January of this year, is being used to justify the arbitrary expropriation of private property, including religious properties. On the surface, legal decree 322, the general law on housing, appears to be meant to regulate private properties, mostly homes, and enforce zoning laws, following other reforms that affect property rights.

However, our contacts on the island say that the law is being used by government officials to claim the right to seize church properties and to force the churches into the role of paying tenants. You may recall this is identical to the offer made to Reverend Bravo in 2013 prior to the adoption of the law, which suggests that it is a strategy that has been in development for some time.

Cuban lawyers have told CSW that although the law does not specifically mention religious groups, government officials have claimed it gives them authority to expropriate property when they deem it necessary. To our knowledge, the largest church to be effected thus far by legal decree 322 is the Maranatha First Baptist Church in Holguin. This is another registered and historic religious property. Last month, the leadership of the church was informed by provincial Communist Party officials and housing ministry officials that their property was being confiscated and their status changed from owners to renters. The church has held title to the

property since 1947, originally through the American Baptist Home Mission Society of Cuba, and was officially registered as part of the Eastern Baptist Convention of Cuba in May 1954. Leaders of the church have published an open letter calling for support as they resist government attempts to seize their property.

I am humbled to be here today, speaking on behalf of Cuban men and women who have for generations now maintained and cared for religious properties which have been and are sanctuaries for hundreds of thousands of Cubans in the face of great pressure and open hostility.

While this is a historic problem, it has not solely affected religious properties. It is also a current problem of ongoing violations. Much attention has been given to Raul Castro's announced property reforms, but less attention has been given to the detail of these reforms and their impact, potential and real, on ordinary Cubans. This subcommittee has a key role to play in putting a spotlight on those details and highlighting how, even today, Cubans continue to be vulnerable to the arbitrary expropriation of their property by government.

Even as the administration continues to pursue a dialogue with the Cuban Government, it is key that human rights, including property rights and religious freedom, be a central component of that dialogue. I would respectfully ask that the members of this subcommittee continue to hold the administration accountable for the content of the dialogue and any agreements. And at the same time, you make it clear to the Cuban Government, through statements or letters, these actions are not going unnoticed. Thank you.

[The prepared statement of Ms. Stangl follows:]

## WRITTEN TESTIMONY

### CUBA: ARBITRARY EXPROPRIATION OF PROPERTY

JUNE 2015

Good morning. Thank you so much Chairman Duncan for allowing me to give this testimony today, and thank you to all those in attendance for your attention to this important issue.

The issue of properties belonging to religious institutions and organizations in Cuba is extremely complex. Religious groups of all types – Catholic and Protestant, as well as other non-Christian groups – saw many of their properties confiscated in the years following the Revolution. The return of some of these properties has been a key focus area of talks in recent years between the Roman Catholic Church and the Cuban government. Other religious groups have also held dialogues with Cuban government officials with the same objective, with varying degrees of success.

While many properties were expropriated by the government after 1959, most registered religious groups that had existed in Cuba prior to the Revolution were allowed to retain some of their buildings. These buildings were registered and designated for religious use. Any alterations to these buildings, however, including essential repairs or renovations, were not permitted without the express permission of the Office for Religious Affairs of the Central Committee of the Cuban Communist Party. This was intended to be a key way for the government to control, or at least attempt to control, the growth of religious groups in Cuba. These attempts were largely unsuccessful and had two major consequences. One was the deterioration, often into total disrepair, of historical churches still in use. The second consequence was the prolific growth of so called 'house churches' where existing churches and new religious groups expanded into private properties not designated for religious use. My presentation will look at the arbitrary expropriation of both these types of property, specifically examining recent cases.

In recent years, the churches most vulnerable to the threat or act of government confiscation of their property have been the aforementioned house churches. Many are actual houses that were converted by the owner at some point into a church; others are buildings built more recently on private property and used exclusively as churches, but without permits for religious activity. Properties linked to unregistered religious groups are particularly vulnerable. In 2010 the head of the Office of Religious Affairs of the Central Committee of the Cuban Communist Party, Caridad del Rosario Diego Bello, was surreptitiously recorded vowing to target unregistered groups without mercy, specifically by confiscating their churches and throwing them out of their homes. The video is available on YouTube.

One emblematic example of this type of case in recent years has been that of the property located at Avellaneda #278 between San Esteban and San Martín streets, in the historic city center of Camaguey. This property was acquired by the Reverend Omar Gude Pérez and his wife

Kenia Denis Bravo in 2003. A relatively large property for the location, it has acted as a family home and a place of worship. It is also a training center for church leaders from across the country who are affiliated with the Apostolic Movement, a charismatic Christian network of churches that authorities have refused to register, for the last 12 years.

In 2008 Reverend Gude Pérez was arrested and sentenced to six and a half years' imprisonment on trumped up charges. While he was in prison the government approached his wife on multiple occasions, threatening to confiscate the property and to relocate the family to a small, cramped apartment outside of the city if she did not stop talking to 'foreign human rights organizations' about her husband's plight. They did not follow through on those threats, largely, we believe, due to international pressure specifically from the United States and the European Union. The early release of Reverend Gude Pérez and the exile of his family to the United States in early 2013 did not put a stop to government attempts to confiscate the property. Before leaving the country, Reverend Gude Pérez and his wife officially transferred the property to their nephew, Reverend Yiorvis Bravo Denis. The transfer was carried out legally and in line with Cuban laws; the transfer papers were in fact signed and stamped by a government notary. Reverend Bravo Denis was already living in the property with his wife and small child, and subsequently took over the church and religious training center.

In September 2013, the government summoned Reverend Bravo Denis to court where they summarily found to his ownership of the property to be invalid, despite the paperwork provided, and declared it to belong to the government. The government notary who had signed off on the transfer did not appear. Reverend Bravo Denis refused to vacate the property and was subjected to a days-long 'Act of Repudiation'. Government 'rapid response' groups, dressed in civilian clothes and accompanied by state security agents and police, surrounded the property, shouting insults and obscenities and throwing rocks and eggs. Shortly thereafter, Reverend Yiorvis Bravo was summoned by Housing Ministry Officials who 'offered' to allow him to stay in the property as a rent paying tenant to the government, if he agreed to submit all planned religious activity to the government in advance. The government set the rent for his own property at approximately \$300 per month – 15 the average annual salary in Cuba.

He turned down this offer, refused to sign the papers, and stated his intention to remain in the property. To date he has managed to do so, although the government has repeatedly declared that it still considers itself to be the owner of the building and reserves the right to evict the family at any time. We believe they have not been evicted by force thus far because the case has received international attention, but the vulnerability of the family who have been stripped of their property rights remains of great concern. This year, on May 21, the legal offices of Pobleto Tamargo submitted a Request for Precautionary Measures on behalf of Reverend Bravo Denis to the Inter American Human Rights Commission. Both Reverends Omar Gude Perez and Yiorvis Bravo Denis have submitted letters which I request be entered into the record.

Christian Solidarity Worldwide regularly receives reports of threats of confiscation of properties from unregistered religious groups such as the Apostolic Movement, but the government is also guilty of targeting the property of historic and registered religious groups. The threat or act of confiscation of church properties has often appeared to be a tactic of the government to pressure or punish a church or their denomination. One of the most egregious cases was the 2012 expropriation of a historic property belonging to the Baptist Church in Yaguajay in the province of Sancti Spiritus. The church is part of the Western Baptist Convention of Cuba, one of the largest historic and registered denominations in Cuba.

In 2011 some of the Convention's member churches were making more and more public calls for respect for religious freedom and human rights. The Convention's leadership came under heavy pressure from the Office of Religious Affairs to silence these calls, but resisted the pressure. In late 2011 the Office of Religious Affairs pushed them to change the leadership and decision-making structures of the Convention in such a way that it would become significantly less democratic, and presumably more susceptible to government pressure. In late March 2012 this initiative was presented to and roundly rejected by the General Assembly of the Western Baptist Convention. Within days, the government announced the retroactive nationalization, from October 1980, of the historic church property in Yaguajay, which had been the Baptist High School attached to the church prior to the Revolution. Heavy equipment was moved in to initiate demolition, and a vehicle belonging to the Convention was also confiscated. Pastor Yuri Castellanos was informed by local authorities that the Ministry of Education had 'donated' the church's property to two Cuban government businesses, SEPROT and GEOCUBA, which occupy the property today. The church and convention have had no opportunity to seek redress or compensation. Reverend Mario Felix Leonart Barroso, another pastor with the Eastern Baptist Convention of Cuba, has written a letter regarding this case which I also request be entered into the record.

More recently CSW has received worrying news that new legislation, which came into effect in January of this year, is being used to justify the arbitrary expropriation of private property, including religious properties. On the surface, Legal Decree 322: the General Law on Housing appears to be meant to regulate private properties – mostly homes – and enforce zoning laws, following other reforms that affect property rights. However, according to CSW's contacts on the island, the law is being used by government officials to claim the right to seize church properties and to force the churches into the role of paying tenant. You may recall that this is identical to the offer that was made to Reverend Bravo Denis in 2013, prior to the adoption of the law, which suggests that it is a strategy that has been in development for some time.

Cuban lawyers have told CSW that although the law does not specifically mention religious groups, government officials have claimed it gives them the authority to expropriate property when they deem it 'necessary'. One legal expert linked to the Cuban Council of Churches and speaking anonymously told CSW that churches of all denominations and in multiple provinces are affected: "They are applying the law rigorously. In the case of the churches it is worse. They propose to convert the church into a tenant. This has consequences. For example, the 'new owner' is able to decide what the church can or cannot do in this place. That is to say they lose autonomy. They cannot accept this." Another church leader, who also asked to remain anonymous, told CSW that churches in the eastern part of the island have been particularly impacted and have had numerous properties confiscated, possibly because they are more spread out and remote with less access to means of communication.

Numerous churches have also reported threats of confiscation or destruction of property, which appear to be related to the application of Legal Decree 322. To give just a few examples: in May, Reverend Fausto Polemo was informed by local authorities that his church in the city of Santiago de Cuba would be confiscated and demolished, and that he was prohibited from holding any more services. The church belongs to the Assemblies of God denomination, which is registered and recognised in Cuba. Similarly, Pastors Osmel and Madeleine de Calderón were told that their church in Loma Blanca, Upper Mayarí, Santiago Province and affiliated with the Apostolic Movement, must stop holding services. Reverend Alain Toledano, another Apostolic Movement leader, was also informed that his property in the city of Santiago would be confiscated. He has continued to make public calls for the government to clarify the status of his property.

The largest church to be affected by the Legal Decree to date is the Maranatha First Baptist Church in the city of Holguín, in the province of the same name. This is another registered and historic religious property. In May 2015 the leadership of the church was informed by provincial Communist Party and Housing Ministry officials that their property was being confiscated and their status changed from owners to rent-paying tenants. The church is affiliated with the Eastern Baptist Convention of Cuba, and over 800 people worship there on a weekly basis. It has held title to the property since 1947, originally through the American Baptist Home Mission Society, and was officially registered as part of the Eastern Baptist

Convention in May 1954. Government officials threatened to confiscate the church property once before in 2011, but backed down after a high profile international campaign; now, it seems, they may be attempting to apply the new legislation to justify their actions. Leaders of the church have published an open letter calling for support as they resist government attempts to seize their property.

In the letter, Reverend Amado Ramirez states that until now the church has never been cited or fined by the government for any infraction. Because of overcrowding, the church's leadership has been seeking permission since 1989 to expand the building, but has never received a response from the Office of Religious Affairs. However, in May Reverend Ramirez was summoned by local Communist party officials and given, in his words, "...sad, unjust and arbitrary news handed down from the highest authorities of our government and the Party who have decided to confiscate our temple, not to give us the deed or to issue an order for reconstruction, but in order that we would pay the government for some undefined reason, rent to use what is already ours since this temple was built on what has been our property originally through the American Baptist Home Mission Society since 1947, far earlier than the triumph of the Revolution. We believe that this move is not only unjust and arbitrary but it violates the most basic principles of religious freedom which is protected in our Republic's Constitution."

I am humbled to be here, speaking today, on behalf of the Cuban men and women who have, for generations now, maintained and cared for religious properties which have been and are sanctuaries for hundreds of thousands of Cubans, in the face of great pressure and frequently open hostility from a government which, until relatively recently, openly described itself as atheist. While this is a historic problem and does not solely affect religious properties, it is also a current problem of ongoing violations. Much attention has been given to Raul Castro's announced property reforms, but less attention has been given to the detail of those reforms and their impact, potential and real, on ordinary Cubans. This subcommittee has a key role to play in putting a spotlight on those details and highlighting how, even today, Cubans continue to be vulnerable to the arbitrary expropriation of their property by the government. Even as the Administration continues to pursue a dialogue with the Cuban government, it is key that human rights including property rights and religious freedom be a central component of that dialogue. I would respectfully ask that the members of this subcommittee continue to hold the Administration accountable for the content of the dialogue and any agreements, and that at the same time you make it clear to the Cuban government, through statements or letters, that these actions are not going unnoticed.

Thank you.

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CSW is a Christian organisation working for religious freedom through advocacy and human rights, in the pursuit of justice.

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Mr. DUNCAN. I want to thank all the panelists.

As you may have heard, there was a murder of nine people in my State yesterday evening, and I am going to have to step out of the hearing.

I am going to ask Mr. Yoho to accept running the rest of the hearing.

I want to thank the panelists before I leave. Your testimony was valuable, and I have enjoyed learning about this issue, and I stand passionately with you for your property rights.

With that, I will turn this over to Mr. Yoho.

Mr. YOH0 [presiding]. I appreciate your being here and testifying. And I hear your stories, and it rips at the heartstrings. And, you know, being here on this panel of Foreign Affairs, over the last 2 years, we have heard these stories about Cuba and what is going on. And I find it disheartening that this administration announced normalizing relationships with Cuba back in December 2014.

The Obama administration announced a new Cuba policy to move toward normalization relationships between U.S. and Cuba, and reestablishing diplomatic relations with Cuba. We have got a law that already states how we go about that. It was the Cuban Liberty and Solidarity Act of 1996. And it states in there that once Cuba moves toward normalizing their government in a transitional government and having a Democratic process, we will move into that direction. We haven't done that. And so, again, we see a situation where we are putting the cart before the horse. And once you get to that point, it is hard to go back.

In addition to that, when President Obama talked about normalizing this is a failed policy after 50 years is what he has felt like with our policies toward Cuba. I look back at what Raul Castro said; he started making demands on us wanting to normalize relationships with Cuba. I have got to give him credit for having that kind of gravitas—I won't say another word—but for him to have that kind of a backbone and say: You are not going to normalize relationships with us until you do this. I think, wait a minute, we are the ones with the cookie. We are the ones that, had we followed through on the sanctions that were put in place and put more pressure on countries that were dealing with Cuba, it might have had a different outcome, and we might have a transitional government in place.

And I look and I understand where you guys are coming from, and I stand 100 percent with you. Before we move forward, these things have to be negotiated. And they should be at the negotiating table before we start normalizing relationships with Cuba. I would think that we would—we would be the ones in the driver's seat. We are the ones that should be dictating that we will normalize these relationships with Cuba if you compensate people for property that was stolen.

Coming from Florida, I lived in south Florida growing up, and we have just had a tremendous amount of Cuban friends, hard-working people—I live up in north central Florida now. The Cuban population is everywhere, great people, hard-working, and they love their country, their ancestry. We want to make sure that, as we move forward, that we take care of those things. I think that anything that this body does—speaking for myself, not for this com-

mittee—anything that we do in government here should be to make sure that that wrong gets righted so that the people that had that property stolen gets put back into their hands. And thank you.

I have got a few questions here. Adequate compensation for U.S. claims: What would a responsible and just outcome look like for the thousands of Americans who have had their property stolen—and we will use the word “stolen”—by the Castro regime? Dr. Garcia.

Dr. GARCIA-BENGOCHÉA. Well, that’s a complicated question. Obviously, there are formulas. There is an international formula. I think we have to get our arms around what is the enormity of the problem. How many claims are still actively being pursued? There are several layers to this onion, of course. There is the strict economic damages; how much the claims were at the time? They were grossly undervalued at the time.

Mr. YOHO. Right.

Dr. GARCIA-BENGOCHÉA. What has happened to them since then, obviously. The economic damages to the claimants. Ironically, the best source for that probably is the very thieves themselves, the Cuban Government. They claim that they are owed \$1.1 trillion in damages from the embargo. That’s damages to the claimants; that’s the property owners, the private industry.

Mr. YOHO. And, again, it goes back to the gravitas of the Castro regime saying: Oh, we have been damaged instead of looking the other way.

Dr. GARCIA-BENGOCHÉA. Excuse me, Mr. Chairman, that is the most disingenuous argument.

Mr. YOHO. It really is, and I agree with you. Let me ask one other question here. With the U.S. legislation on the property claims issue that’s in the House and the Senate—are you guys familiar with that?

Dr. GARCIA-BENGOCHÉA. Yes.

Mr. YOHO. It is H.R. 2466, that would require a claim for resolving U.S. property claims before the President could further ease restrictions on travel and trade. Do you guys have any view on that? Have you guys in your communities looked at that? Does anybody want to respond to that?

Dr. GARCIA-BENGOCHÉA. If I may.

Mr. YOHO. Yes, sir.

Dr. GARCIA-BENGOCHÉA. Yes, in fact. This is not a left, right, Republican, Democrat issue. This is the blocking and tackling the very foundation of economic relationships. One layer of this onion, as I said, are the certified claims, but there are hundreds of thousands of Cubans in exile who owned property. And there are millions of Cubans in Cuba who own property who are disenfranchised. I don’t know how we can look into disenfranchising these people, putting them on the sidelines and opening up a so-called economic tie. This is crony capitalism to create these rules that exclude some people but favor others, and this is truthfully what has been going on.

Mr. YOHO. You brought up a great point, it comes down to the rule of law. And if you don’t have a government that follows the rule of law, you get into these situations. And that is why it goes back to before we move forward, we need to make sure they have

a good transitional government that is going to go respect property rights and follow that rule of law.

I am going to pass this on to the ranking member, Mr. Sires.

Mr. SIRES. Thank you, again, Mr. Chairman.

I just want to assure the panelists that we are not giving up on this.

Ms. CHESTER LAMB. Thank you.

Mr. SIRES. We are committed. We continue to fight. Where it ends hopefully will be a place where we all can be, you know, comfortable with.

I really don't know how we negotiate, you know, with the Cuban Government. But we seem to give into everything and not get anything in return. I am very uncomfortable with that.

Some people say the embargo is 50 years, 55 years, whatever. I understand that. But we do have embargoes in Iran. We do have embargoes—sanctions in Russia, and we are not going to remove anything from those countries until we get something back. I don't understand why the same premise cannot be toward Cuba. If we are going to lift some of these things that we currently have in Cuba, why not get something in return? And certainly property value is one of the issues that is most prominent.

Like I stated before, my parents lost their house, you know, I don't think we will ever get it back. But there are people who lost a lot more than we did, and I am going to certainly fight for those people that lost—

Can you just tell me what has been the biggest challenge for you? Yes, go ahead.

Ms. CHESTER LAMB. Everyone talks about Cuba, and who is behind this, and the President wants freedom. Honest to goodness, it is U.S. businesses and their multinational subsidiaries that have spent hundreds and hundreds of thousands on attorneys to lobby to end the embargo. A lot of this is—the people behind it is big business. And guess what, we are just an obstacle; move us out of the way so they can make way for commerce. So that is the biggest obstacle is that we are up against big money, and you know how that usually goes.

So that's why I appreciate the fact that you all are actually here trying to find justice for us because, in all my research—and I have been doing this since 2008—it is just amazing how many people are actually U.S. businesses that are in Cuba investing right now because American lawyers that are experts have shown them the loopholes. This is how you can invest in Cuba now. Why? Because when the economy opens up and trade opens up, you will have a foothold.

If you notice, by now everyone does, that the Cuban Communists, they control monopolies, so it is a perfect situation for a U.S. business to go in there and do business with the Cuban Government because, therefore, they are in a monopoly, and they have no competition. There is a lot of big money that is behind this, and they would like to see us go away. And that, to me, is the biggest obstacle.

Ms. ROSOFF. I think we also face an obstacle in that the perception in the American public is that the Cuban claims are ancient history and that nobody really pays attention to them anymore, but

it is very real for us. My mother is still alive. She, you know, still shares stories about what happened to them. We grew up with this, and it is our current history, and I think people don't know what happened. There is perception that, you know, Cuba was just an American playground and that people didn't have lives there; they didn't invest there, you know. Not everybody that was in Cuba in the 1950s were gangsters and, you know, gamblers. People built lives. These were real lives of Americans, and they lost everything there. And their generation and descendants were all affected by this. I think those perceptions are really been promoted recently in a lot of stories and in the romantic notion of Cuba as this beach playground.

Mr. SIRES. I couldn't agree with you more.

Ms. STANGL. I think as far as the biggest obstacle we face in raising these issues is fear. We are working with Cubans still in Cuba who have managed in some way to retain what little they can. We are talking about church properties that are in disrepair because the government's refused to allow them to make any reparations—repairs on those buildings. Overcrowded, very kind of bad circumstances.

A number of pastors we reached out to about this hearing and asked if they would be willing to come testify, and they are too afraid because they are afraid that what little they have managed to hold on to will be taken away from them. Their fear is justified. We have seen just this year since the negotiations began, things have gotten worse. So we have had many, many more properties suddenly being confiscated and many more threats of confiscation. And as long as that continues, I don't see how the Cuban Government can be thought to be credible.

Dr. GARCIA-BENGOCHEA. Well, I was going to echo those sentiments and add that the notion of investing in a country with no property rights is absolutely ludicrous. Aside from the fact Cubans have no money, but there is a capricious nature to this. How these claims are settled is probably in the grand scheme when I am dead and gone more important to American businesses and entities that look to invest in Cuba, much less the Cuban—the burgeoning Cuban entrepreneur, the poor guy, the taxi driver—it is probably more important to them in the long run than it is to the existing claimants how we handle this. This is an absolute fundamental issue.

And, again, I wouldn't pit it as partisan. It is not for or against the embargo. This is the rules of the road. We have got to understand them before we move forward in this.

Mr. SIRES. Thank you.

Mr. YOHO. Good answers. They have called votes.

We are going to go to Mr. DeSantis from Florida, but before we go there, what you just brought up is what this is all about because if we set a bad precedent here, what happens in China with American businesses that sit up there? If China says, You know what, we are going to take—or any other foreign country or what happened in Crimea with Ukraine and Russia, you know, if we don't stand strong as the American Government and say, we are not going to tolerate this. This sets that precedent for future generations, as you pointed out, and I appreciate that.

Mr. DeSantis.

Mr. DESANTIS. Thank you, Mr. Chairman.

And thanks to the witnesses.

Dr. Garcia, when you see a lot of the American businesses lobbying to do business in Cuba, knowing that they may be using the port that you have rights to or other confiscated property, what do you think of that?

Dr. GARCIA-BENGOCHIA. Well, I think it is outrageous. It is not only hypocritical; imagine if the roles were reversed. This is not who we are. If we are—as the President appears to have converted and become American exceptionalists, that we will go over there and convert the Castros and convert the Cubans. Well, this is not who we are. We are not people who traffic in stolen property. We are not opportunists at the very best. So it is disgraceful, truthfully, it really is. It violates every business, ethical, and moral principle that we have constructed our society from.

Mr. DESANTIS. It is not really a free market, you know, free market openings constrained by the rule of law. It is really just cronyism, where you have a corrupt regime and there is a profit arrangement with a private entity. But, ultimately, that is as you said the whole basis of that is capricious.

Dr. GARCIA-BENGOCHIA. It is what is happening in Russia. It is crony capitalism. At the very best, it is a sinister form of trickle-down economics. You are engaging a military oligarchy. We think of the Cuban Government as this state. The government itself is an enormous bureaucracy that insulates these military oligarchical families from the Cuban people. They operate in an entirely different orbit, and that is who we are dealing with. That violates every principle we stand for.

Mr. DESANTIS. If you left the hearing and, as you were going, the President's motorcade popped out and you had a minute to talk to him, what would you say to the President about this issue?

Dr. GARCIA-BENGOCHIA. I would tell him that, first of all, history repeats itself, human nature remains the same through time, and he's forgotten the history here. And if he is really concerned about growing prospects for American business and for helping the Cuban people, he has to get back to this fundamental social contract of property rights. It is one of the most innate human sentiments and experiences we have, children fighting over a toy. Once you set the rules of the road, there is harmony. He needs to set back and use this as the foundation, as the cornerstone of building a new relationship with a free and democratic Cuba. Let's face it, there are no free markets without free people. It really boils down to that. And so that's what I would tell him, go back to the blocking and the tackling the fundamentals, our DNA, and construct from there and get more peripheral maybe esoteric in your objectives.

Mr. DESANTIS. That's what is concerning me about the policy is we are not—we are ignoring this basic building block of property rights. And, yet, if you look at the political repression, that has increased since the change in policy. And so you are not laying the foundation where you have a rule of law and property rights. And you are certainly not in a situation where the Cuban people are now able to exercise political or religious freedom. I mean, it has not gone in the right direction so I think it's been a lose-lose so far.

Ms. Chester, I really appreciated your testimony. What would you say to the President about this issue if you could talk to him?

Ms. CHESTER LAMB. I would ask him why he responded to my email by calling me a Cuban exile. I'm an American. I am not Cuban.

Then I would ask him why he's not paying attention to the law the Foreign Claims Settlement Commission due diligence many, many years. My parents had to go through a lot of work to prove what their losses were. Why is that being ignored? Why have we been ignored for so long?

I am actually tired of this issue. I don't really want to sit here for months and months to figure this out. I want it to be figured out. I want us to be paid, and somebody else figure it out because right now there's 5,913 claimants that you are dealing with. So you don't really want to deal with 5,913 people, I don't think. So we need to be paid, and if somebody else can take that debt since we have been holding it for 56 years, then they can deal with the Cuban Government because we are tired of waiting.

Mr. DESANTIS. What is more important, the money or the admission of wrongdoing by the Cuban Government?

Ms. CHESTER LAMB. You know, it is kind of hard to fight the Castro propaganda machine. When you take over newspapers, and televisions and radio stations, it is really hard to rewrite history or change people's mind.

Mr. YOHO. Ms. Lamb, I am going to have to cut you off there so we have time for Ms. Kelly from the State of Illinois for a few minutes before votes.

Ms. KELLY. I don't really have a question, but just to say that I represent a family who had a textile business, Flamingo Knitting Mills, and was seized in 1959 in Havana. So the issue of normalizing relations is quite personal to this family as it is to so many families in America. And even, you know, okay, they get a lump-sum payment, but even if they got the property back, the property is something else now, so what would they do with it? They can't kick—they wouldn't kick people out, or you know, it still wouldn't be the same from before.

Ms. CHESTER LAMB. Right, exactly.

Ms. KELLY. I yield back.

Mr. YOHO. I thank you.

I appreciate you guys being here, speaking and expressing your sentiments of what is going on there.

I am a sponsor of H.R. 2466, which is the U.S. legislation on the property claims issue. So make sure you follow that. Get people to support it.

And pursuant to committee rule 7, the members of the subcommittee will be permitted to submit written statements to be included in the official hearing record.

Without objection, the hearing will remain open for 5 business to allow statements, questions, and extraneous material for the record, subject to the length limitation in the rules.

There being no further business, the subcommittee is adjourned, and we thank you for participating.

[Whereupon, at 12:08 p.m., the subcommittee was adjourned.]



## A P P E N D I X

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MATERIAL SUBMITTED FOR THE RECORD

**SUBCOMMITTEE HEARING NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515-6128

**Subcommittee on the Western Hemisphere**

**Jeff Duncan (R-SC), Chairman**

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on the Western Hemisphere in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

**DATE:** Thursday, June 18, 2015

**TIME:** 10:00 a.m.

**SUBJECT:** The Future of Property Rights in Cuba

**WITNESSES:** Panel I  
Mr. Mauricio Tamargo  
*(Former Chairman of the Foreign Claims Settlement Commission)*  
  
Mr. David Bradley  
*(Former Chief Counsel of the Foreign Claims Settlement Commission)*  
  
Panel II  
Dr. Javier Garcia-Bengochea, M.D.  
Certified Claimant  
  
Ms. Carolyn Chester Lamb  
Certified Claimant  
  
Ms. Amy Rosoff  
Heir of Certified Claimant  
  
Ms. Anna-Lee Stangl  
Senior Advocacy Officer for the Americas  
Christian Solidarity Worldwide - UK

**By Direction of the Chairman**

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-3021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

## COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON Western Hemisphere HEARINGDay Thursday Date June 18, 2015 Room RHOB 2172Starting Time 10:00 a.m. Ending Time 12:08 p.m.Recesses 1 (10:43 to 11:24) (\_\_\_\_ to \_\_\_\_) (\_\_\_\_ to \_\_\_\_) (\_\_\_\_ to \_\_\_\_) (\_\_\_\_ to \_\_\_\_)

## Presiding Member(s)

*Chairman Jeff Duncan  
Rep. Ted Yoho*

Check all of the following that apply:

Open Session ☒Executive (closed) Session ☐Televised ☒Electronically Recorded (taped) ☒Stenographic Record ☒

## TITLE OF HEARING:

*Future of Property Rights in Cuba*

## SUBCOMMITTEE MEMBERS PRESENT:

*Chairman Jeff Duncan; Rep. Albio Sires; Rep. Matt Salmon; Rep. Ron DeSantis; Rep. Ted Yoho; Rep. Don  
Donovan; Rep. Robin L. Kelly; Rep. Alan Lowenthal*

## NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an \* if they are not members of full committee.)

*Rep. Thomas Rooney\**HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

## STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

*Rep. Chris Smith Statement for the Record*

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or

TIME ADJOURNED 12:08 p.m.  
Subcommittee Staff Director

**Rep. Chris Smith**  
**The Future of Property Rights in Cuba**  
**Q&A**  
**June 18, 2015**

Thank you Chairman Duncan and Ranking Member Sires, for convening this important hearing on confiscated property in Cuba – an abuse of human rights which often is overlooked – and a welcome to our panelists today.

I have introduced the Cuban Human Rights Act, H.R. 1782, whose co-sponsors include Mr. Sires. The intent is to make sure that important human rights milestones are met before our government makes unilateral concessions that squander our leverage. I would like to invite my colleagues to consider joining as co-sponsors.

Germane to today's hearing, the Cuba Human Rights Act calls for the government of Cuba to return "estates and properties confiscated from churches and religious communities" and "satisfying... all claims outstanding under the International Claims Act of 1949 and the Cuban Liberty and Democratic Solidarity Act of 1996."

The resolution of outstanding property claims, as well as the return of fugitives from justice such as convicted cop-killer Joanne Chesimard, should have been a prerequisite to any negotiations with the Cuban government regarding normalization of relations.

One thing I want to focus on is Ms. Anna-Lee Stangl's written testimony with respect to the family of Pastor Gude Perez, where the Cuban government did not follow through on threats "due to international pressure specifically from the United States and the European Union."

I know from over thirty-five years' experience in fighting for human rights, from the Azerbaijan to Zimbabwe, that when the US government brings up human rights at the highest levels, countries listen; but when it becomes a side item that is brought up as an afterthought, abusive regimes take it as a signal that we do not think it is important. Ronald Reagan directed his Secretary of State George Schultz that whenever he met with his Soviet counterpart, to hand him a list of dissidents that the United States wanted free before we would enter into negotiations or make concessions. That approach gets results, and alleviates the condition of those who suffer under oppressive regimes.

When, however, an Administration signals that human rights are secondary and we will do business regardless, such as Brent Scowcroft toasting the Butchers of Beijing shortly after the Tiananmen Massacre during the first Bush Administration, or with the Clinton or Obama Administrations coddling Vietnam – and I note, Republican or Democrat, I call to account both sides when it comes to a failure to elevate human rights – then we see these brutal regimes continuing to abuse their people.

Some critical questions for all us are these: As this Administration is moving toward normalization of relations with Cuba, do we believe that the interests of those whose property has been expropriated are being adequately represented? Who at the State Department is interacting with concerns to make sure important rights are being raised with the Cuban government? At what level do we understand these issues are being raised? These questions need to be asked and answered.



MATERIAL SUBMITTED FOR THE RECORD BY MS. ANNA-LEE STANGL, SENIOR ADVOCACY  
OFFICER FOR THE AMERICAS, CHRISTIAN SOLIDARITY WORLDWIDE-UK

Reverend Mario Felix Leonart Barroso  
Ebenezer Baptist Church  
Taguayabon, Villa Clara  
Cuba  
Cubanoconfesante@gmail.com

Chairman Jeff Duncan  
Subcommittee on the Western Hemisphere  
House of Representatives  
United States Congress  
Washington, District of Columbia

5 June 2015

Chairman Duncan:

I am writing to raise the case of the property around the Baptist Church in Yaguajay, in the province of Sancti Spiritus, which belonged to the Western Baptist Convention of Cuba since before the 1959 Revolution.

Despite this, this land was seized by the government of Cuba in April 2012 and the government businesses Seprot and Geocuba placed their offices there. The government claimed that the property had been retroactively 'nationalized' in the 1980s although the church and the Convention had never been informed of this supposed nationalization.

This act of extortion was committed in plain view of everyone, with total impunity, violating the laws set in place by the very same government. We religious leaders in Cuba believe that it was an act of force meant to remind us of who is in charge in Cuba.

We are grateful to the international institutions who have been able to help us to defend our rights as none of our appeals inside Cuba have had any impact whatsoever.

With great affection,

Pr. Mario Félix Leonart

Active Pastor with the Western Baptist Convention of Cuba



MATERIAL SUBMITTED FOR THE RECORD BY MS. ANNA-LEE STANGL, SENIOR ADVOCACY  
OFFICER FOR THE AMERICAS, CHRISTIAN SOLIDARITY WORLDWIDE-UK

Reverend Omar Perez Ruiz  
14300 Tandem Blvd # 216  
Austin, TX Zip Code 78728  
[okministries@yahoo.com](mailto:okministries@yahoo.com)

Chairman Jeff Duncan  
Subcommittee on the Western Hemisphere  
House of Representatives  
United States Congress  
Washington, District of Columbia

8 June 2015

Esteemed Chairman Duncan:

By writing this letter I aim to shed light on the practice of arbitrary expropriation, committed by the Castro regime and targeting the property of a church and a people who profess a faith that is not for sale to the government's compromised principles.

In approximately the year 2003 a movement within the evangelical churches in Cuba began to grow which we referred to as 'apostolic reform', it was known as a movement for the restoration and recuperation of some things which can be found in Biblical scripture but needed to be put into practice. One of those principles that became very clear is something that sustains all of the evangelical denominations in Cuba and in the USA. This principle is the separation of Church and State, which would be something that would be practiced in all circumstances by the apostolic movement.

Of course, this provoked a strong negative reaction on the part of the Castro regime. The Office of Religious Affairs of the Central Committee of the Communist Party of Cuba, led by Mrs. Caridad Diego, began to make the rounds to all of the historically recognized churches, warning them that the government would not accept this new organization. She also made very clear, publicly, the means by which they would stop this new movement. This included imprisoning their leaders and expropriating the goods and properties of those who were working with the non-recognized churches. Video of Mrs. Diego making these statements can be found online here: <https://www.youtube.com/watch?v=I8QmvquACBM>

Any religious organization will need an institute through which to train its workers in theology and in the type of services to be developed. We chose the property at Avellaneda 278 between San Esteban and San Martin, in Camaguey, Cuba as the site where we would establish the National Institute for the Apostolic Movement. We legally acquired the property in 2003. This property was also my family's home and we held all the legal deeds. From the moment the Office of Religious Affairs of the Central Committee of the Communist Party of

Cuba learned of our plans they launched a hellish persecution to evict us and to expropriate our home.

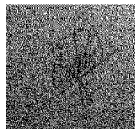
On May 22, 2008, I was taken prisoner based on improbable and unproven accusations. They attempted to arbitrarily apply Legal Decree 149, accusing me of illicit financial gain. The rationale they gave was illogical and only served to demonstrate the animosity and macabre aims which Mrs. Caridad Diego had publicly expressed: to persecute our leaders and expropriate our belongings. While I was in prison serving an arbitrary and unjust 6 ½ year sentence, the regime repeatedly threatened to make my wife and two children homeless by evicting them and confiscating our property.

I was released from prison early, in 2011, thanks to international pressure including from the United States and the European Union. Because of fears for the future of our children and after this painful experience we were grateful to accept the generous offer of asylum extended to us by the United States, although our hearts remain in Cuba.

We completed all the legal requirements to transfer the property to our nephew, Yiorvis Bravo, who now leads the church, oversees the institute and lives in the home with his family. This was done transparently and openly and the paperwork was even certified by government notaries. However, from that date onwards and despite my departure, the Castro government has not ceased attempting to expropriate the property which belongs to the Apostolic churches in Cuba and is now in the name of our nephew. If they have not yet managed to do so, today, it is because of the international pressure organized by Christian Solidarity Worldwide and other organizations and press agencies, in campaigning for justice in cases like this one. Nevertheless the regime now claims it is the legal owner of the property. The case has recently been filed with the Inter-American Human Rights Commission by the law firm Poblete-Tamargo.

While the Cuban government has not weakened in terms of its intentions, first with me and now with Pastor Yiorvis Bravo, the government is weak in terms of its moral position because we have plenty of proof which shows that the regime still persists in its desire to expropriate the goods of the churches and of the ministers who do not go along with the regime.

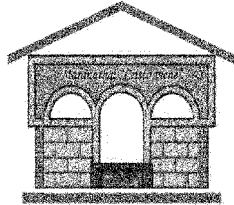
In solidarity,



Reverend Omar (Gude) Perez



MATERIAL SUBMITTED FOR THE RECORD BY MS. ANNA-LEE STANGL, SENIOR ADVOCACY  
OFFICER FOR THE AMERICAS, CHRISTIAN SOLIDARITY WORLDWIDE-UK



**PRIMERA IGLESIA BAUTISTA DE HOLGUIN**  
**"MARANATHA: CRISTO VIENE"**

Asociación Convención Bautista de Cuba Oriental

Fomento # 298 e/ Martí y Luz Caballero, Holguín, Cuba  
Código Postal: 80100 Teléfono: (01-24) 427878

**DECLARATION OF RIGHTS:**

Dear brothers and sisters:

Esteemed friends:

For many years our church has been holding its services and has welcomed hundreds of believers and non-believers in its current headquarters located on 298 Fomento St, between Martí and Luz Caballero streets, in the city of Holguín, Cuba.

In addition, we are members of the Eastern Baptist Convention of Cuba, a prestigious body with a presence of more than 110 years in Cuba and with more than 600 churches along the length and breadth of our country.

Our church has existed in this city for more than 82 years and is characterised by its work in moral and spiritual development in and outside the church, with a laudable testimony, an unprecedented missionary work and systematic work in maintaining homes and refuges for elderly, a Home for the Handicapped, homes for children without parental support and in the prison, where we have wanted to give our modest offering.

In all of these years, the administrative authorities have NEVER given us a warning or fined us for anything, they have also made no statement against the meeting of the faithful in the heart of our church, who sometimes number up to 800, with even more people involved in specialized programs, with our intensive and dynamic ministerial week.

We have not hidden ourselves to celebrate in the highest the name of our Lord Jesus Christ and thousands have been reached by the message of the gospel which transforms hearts and changes the human being into a different person. The most humble to the most intellectual people have walked through our buildings, receiving guidance, discipling and treated in the best way so that they leave with a

new perspective on life in the face of a hostile world in which principles and morals are in complete decay.

It is necessary to note that on repeated occasions, the most recent being in July 2014, we have submitted requests to the appropriate authorities for a permit to enlarge and remodel the temple, with the aim of honouring our God even more, to beautify the city centre where it is located and to make it more comfortable for the hundreds of Cuban men and women who congregate here, as we currently have a structure that is both uncomfortable and hot, but which we love and for which we feel a complete sense of belonging, but the answer we have received has always been SILENCE.

All of the above in just a few words, to make public the sad, unjust and arbitrary news on the part of the maximum authorities of the Party and of the Government, who have now informed us of their decision to CONFISCATE OUR CHURCH, so that in some undefined way we will have to pay them rent for the right to use what is ours and with this they also deny authorisation to rebuild or remodel, which we had been requesting, as this tabernacle was built on the land of our property represented by THE AMERICAN BAPTIST HOME SOCIETY, which was registered in the Notary Registry (*Escritura Notarial*) number 29 on 4 May 1954 bestowed in the presence of Dr. Manuel Humberto Cuervo Sanchez, Lawyer-Notary Public of the Holguin College, which resulted in its inclusion in the Property Register in our City, in volume 89, folio 14, section 5325, 5<sup>th</sup> inscription, which all obviously took place before the triumph of the Revolution.

We believe these measures not only to be unjust and arbitrary, but to also flagrantly violate the most basic principles of religious freedom proclaimed by our Republic's Constitution, in Article 8, in relation to Article 55 and which are echoed in Article 18 of the Universal Declaration of Human Rights. We ask all of you to pray for our country, to pray for those in our government, to pray for our church so that the Sovereign God of Heaven and Earth does JUSTICE. We have called our congregation to 40 days of prayer and fasting for this reason, in addition to days of intense worship, adoration and intercession before God in our buildings.

We do not accept this decision and we are counting on all your moral and spiritual support during this process. We ask you to share this message with all of those brother and sisters who worship and serve JESUS CHRIST in the length and breadth of our country as well as outside of it.

For these days of prayer we have chosen the section of Philippians 1:27-29 as our motto, the sacred song: God did not bring us here to take us back. And as our slogan: UNITED IN CHRIST FOR AN HOUR SUCH AS THIS.

In light of the above, we have decided to put forward in the attached document the names and surnames of the brothers and sisters of our local church, with their signatures, the Baptists churches and also churches from other denominations who have expressed solidarity with the position taken up by our church.

Christian people, all of our friends, those who have not believed but who accompany us in this experience, God protect you, sustain you and strengthen you. WE PRAY, OUR GOD IS THE GOD OF MIRACLES.

Given in Holguin on 17 May 2015



NOTE: Material submitted for the record by the Honorable Jeff Duncan, a Representative in Congress from the State of South Carolina, and chairman, Subcommittee on the Western Hemisphere, is not reprinted here but is available in committee records or may be accessed by a link on the following Internet page: <http://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=103642>.

